FBIS DAILY REPORT

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CONTADORA, SUPPORT GROUPS MEET IN CARTAGENA

Betancur Addresses Meeting

PA242317 Paris AFP in Spanish 1837 GMT 24 Aug 85

[Text] Cartagena, Colombia, 24 Aug (AFP) -- Colombian President Belisario Betancur asserted today that soon there will be peace in Central America, stressing that peace efforts are in their final stage. He defined the recently created Lima group as a consultative system for the Contadora process.

"We can say today that we are advancing toward peace on a thorny path. This has been confirmed by recent incidents. The peace process is in its final phase, which we hope to complete with faith in Latin America's destiny," Betancur said when officially inaugurating the talks between the foreign ministers of the Contadora and Lima groups.

Betancur stressed the unanimous Latin American support for efforts by the Contadora Group (Colombia, Mexico, Panama, and Venezuela) in the troubled Central American area. In this respect, he praised the support given to the peace process by Argentina, Brazil, Peru, and Uruguay, the countries that make up the so-called Latin American Front for the Support of Contadora, recently created in Lima during President Alan Garcia's inauguration. Betancur said that the support group clearly shows the desire of Latin American countries to solve their problems within a strictly continental framework.

Betancur added: "Very few actions in Latin America have stirred more interest and received the unanimous support of the international community like the Contadora Group's peace efforts. He began his opening speech by quoting Roman Emperor Hadrian's phrase: "Peace is serene liberty." Reaffirming the Latin American thesis on the Central American problem, Betancur said that parallel to the explosive areas where international peace and tranquillity are at stake, the Contadora Group has brought hopes for a solution by maintaining the thesis that the conflict can and should be solved only by the parties involved.

Betancur regretted the current difficulties confronting Central America, adding that tensions and attempts at foreign intervention have increased to the extent that a greater commitment from the Latin American countries is required. In a brief analysis of the causes generating the Central American conflict, Betancur reiterated that one of them is the lack of resources in those countries to offer a better life to their people. Consequently, Betancur urged the strengthening of the Central American Bank of Economic Integration, BCIE, as a strategy to reduce the factors causing instability in Central America.

"The BCIE has financed a large proportion of public investments in the Central American countries, and it is the most appropriate vehicle to finance urgent physical and social infrastructure projects needed in that area," Betancur noted. In this respect, he reiterated the call to the EEC to ratify its decision to contribute to the bank's funds at their upcoming meeting with the Contadora Group foreign ministers in Luxembourg.

Betancur praised the response of the Latin American nations at the historical moment when "dissociating forces are bent on undermining continental unity and are trying to get several nations involved in the tragic excess of an armed confrontation." Betancur urged the five Central American countries and those who have interests in the region to help by demonstrating their political willingness to reduce the tensions and to achieve permanent peace in Central America. "The time has come for great decisions; peace is very near," Betancur concluded.

Ministers Reject Military Force

PA241735 Hamburg DPA in Spanish 1546 GMT 24 Aug 85

[By Carlos Alberto Rueda]

[Text] Cartagena (Colombia), 24 Aug (DPA) -- The creation of a multinational military peacekeeping force in Central America was rejected today in Cartagena by the eight Latin American foreign ministers who met to study the situation of the region. The foreign ministers of Argentina, Uruguay, Brazil, Peru, Mexico, Panama, Venezuela, and Colombia, decided in the past few hours that the presence of military forces in the area of conflict is not convenient.

The idea for the creation of the military force is probably a South American idea attributed to the Uruguayan and Argentine foreign ministers. The two foreign ministers reportedly presented this proposal in their statements on their governments' positions as members of a political support group for the four Contadora Group countries. The Contadora Group began its mediating efforts on 9 January 1983 when the group was created during a meeting on Contadora Island, Panama.

The four Contadora Group foreign ministers told DPA in Cartagena that the group's efforts to achieve peace in Central America will continue "by means of diplomatic channels," especially now that the situation has worsened due to armed incidents along the border between Costa Rica and Nicaragua. "There is a Latin American awareness regarding the fact that the Contadora Group is the most convenient mechanism for peace in Central America," Venezuelan Foreign Minister Simon Alberto Consalvi said.

The Cartagena meeting that began today and will continue through tomorrow, was summoned by Colombian President Belisario Betancur following consultations with the chiefs of state of Uruguay and Argentina and the agreement to form a Latin American support group for the Contadora Group on the part of Peruvian President Alan Garcia and Brazilian President Jose Sarney.

Colombian President Belisario Betancur invited the four South American countries to attend the Cartagena meeting to examine the Central American situation with the Contadora Group foreign ministers. The invitation was made in La Paz on 6 August during the swearing-in ceremony of President Victor Paz Estenssoro.

Despite the fact that the support group has expressed its intentions of not becoming a deliberative group within the Contadora Group, in Buenos Aires Argentine Foreign Minister Dante Caputo proposed the creation of a military peacekeeping force by the different South American countries which would serve to calm the tensions between Costa Rica and Nicaragua. Yesterday, prior to the meeting, this subject became "the hottest point" in the Central American issue, and it has emerged as the biggest obstacle to the Contadora Group's peacemaking efforts. The statement prompted the other foreign ministers to bring up the subject despite the fact that such a peace force is not included in the peace document drafted by the Contadora Group. According to observers, a neutral zone at the border has been proposed in an attempt to prevent future confrontations between Costa Rica and Nicaragua.

The foreign ministers meeting in Cartagena have all stated that the tension between Costa Rica and Nicaragua is the main problem at this moment, and when they talk about asking the nations to "express their political will for a peaceful solution of the conflict," they are speaking, on the one hand, of an end to the physical and verbal hostilities that hinder the Contadora Group's diplomatic efforts, and on the other, to an expression of their primary desire to find peace.

According to statements by the Latin American foreign ministers meeting here in Cartagena, the main points that have found consensus among all the Latin American countries are:

-- The Contadora Group is the only feasible and currently existent mechanism to resolve the Central American situation.

-- The Central American situation is currently very tense, but once again the countries of the area are willing to accept the solution presented by the Contadora Group.

-- At present, the main problem hindering a prompt solution to the conflict is the confrontation between Costa Rica and Nicaragua, and without a solution to this problem it will be impossible to continue with the peacemaking process.

-- It is essential that the countries involved in the conflict demonstrate their political will to resolve the situation by means of diplomatic channels.

Colombian President Belisario Betancur formally inaugurated the meeting of the Contadora Group and support group countries today. The foreign ministers immeidately began their first session, during which a summary of all the Group has done was presented for the benefit of the foreign ministers of Peru, Argentina, Uruguay, and Brazil who are new to this process.

Ortega, Gutierrez Contacted

PA251838 Madrid EFE in Spanish 1643 GMT 25 Aug 85

[Excerpt] Cartagena de Indias, Colombia, 25 Aug (EFE) -- Reliable sources have told EFE that the foreign ministers of the Contadora Group and the support group, who have been meeting here since Friday, have talked via telephone with the president of Nicaragua and with the foreign minister of Costa Rica regarding the tension on the border between the two countries.

The sources noted that during the talks yesterday between the Contadora Group (Colombia, Mexico, Panama, and Venezuela) ministers and those of the recently created support group (Argentina, Brazil, Peru, and Uruguay) they made telephone calls to Daniel Ortega and to Costa Rican Foreign Minister Carlos Jose Gutierrez. According to the sources, less distant positions on the bilateral tension issue were reportedly established during the telephone conversations.

Costa Rica and Nicaragua are going through a very tense moment in their relations due to incidents in the San Juan River region dividing the two countries. As a result of those incidents, at the end of May two Costa Rican civil guardsmen died. The differences between the two neighboring nations has been one of the topics of discussion of the Contadora and the support group foreign ministers, who will try to relaunch the Central American peace process once the Cartagena meeting concludes.

Colombian Foreign Minister Augusto Ramirez Ocampo has confirmed that Nicaraguan President Daniel Ortega has sent a letter to the ministers meeting here. The letter was delivered by Nicaraguan Deputy Foreign Minister Jose Leon Talavera, who was in this Caribbean city on Friday for a private visit.

The host foreign minister declined to comment on the letter, which is being studied by the eight Latin American foreign ministers. The meeting, which began last Friday, will conclude in the next few hours with a final declaration followed by a press conference.

Colombia's Ramirez on Talks

PA260253 Bogota Emisoras CARACOL Network in Spanish 0200 GMT 26 Aug 85

[Report by Roberto Duarte]

[Text] Cartagena -- Foreign Minister Augusto Ramirez Ocampo has said here that the results of the Contadora Group's efforts have been so significant that less than 10 points are pending for the ratification of the Document for Peace and Cooperation in Central America. Ramirez Ocampo made this statement shortly after closing the joint meeting between the Contadora and political support groups in this capital, which lasted 3 days.

[Begin Ramirez Ocampo recording] Therefore, I believe that after this process of consultations we are seriously approaching a consensus that will (?lead to) the ratification of the act. [end recording]

SELA TO SEEK POLITICAL APPROACH TO DEBT ISSUE

PY241630 Buenos Aires Domestic Service in Spanish 2300 GMT 23 Aug 85

[Excerpt] Argentina insists that the Argentine and Latin American foreign debt be handled politically. This was the issue discussed during the 5-day meeting of the Executive Commission of the Latin American Economic Conference. Participants asked that the Latin American foreign debt be handled in a political manner. This was the most important decision of the meeting.

The meeting of the Executive Commission of the Latin American Economic Commission closed this afternoon at the San Martin Theater. The draft for the final resolution was unanimously approved. Among other things, it calls for the executive secretary of SELA, Dr Norberto Gonzalez, to include in the next SELA meeting in April 1986 in Mexico City the topic of the political treatment of the Latin American and Caribbean foreign debt. This represents a boost for the position of the Cartagena Consensus which, at the meetings in Cartagena, Mar del Plata, and Santo Domingo, had called for the political handling of the foreign debt of developing countries.

Consequently, this final draft admits that the alarm created over the region's economic crisis has not only arrested the development of the gross domestic product per capita in most countries, but has caused a reduction to levels below those attained in the 1970's in many cases. It also expressed concern over the huge foreign debt the Latin American countries have accumulated, the servicing of which diverts part of their income from their decreasing exports, without this being compensated for by an influx of real resources to contribute to these countries' development.

ALFONSIN ON FOREIGN DEBT, AREA INTEGRATION

PY241958 Buenos Aires TELAM in Spanish 0025 GMT 22 Aug 85

[Text] Buenos Aires, 21 Aug (TELAM) -- President Raul Alfonsin today stated that we must help each other to completely free our economies from the foreign and domestic bonds that hinder our development and condemn us to backwardness and mediocrity. He stressed that a system of trade among Latin American countries must be implemented.

Alfonsin spoke tonight at a ceremony marking the 20th anniversary of the Institute for the Integration of Latin America (INTAL). The president spoke about the significance of the integration of Latin America. The ceremony was held at the INTAL headquarters at 130 Esmeralda Street, Buenos Aires. Alfonsin said that assistance has already begun and that the nascent Latin American democracies are seeking a consensus on the need for a political approach to the foreign debt issue.

The head of state said that Argentina is implementing a program of intensive reforms and a realistic revamping of our battered economy which, we feel, will give a real impetus to the economic integration among the Latin American nations. Alfonsin stated that we have managed to establish an extensive network of trade exchange which, although it suffered some setbacks, has overcome the crisis. Some favorable conditions were achieved regarding imports from some countries.

Alfonsin stated that on the foreign front, Latin America must continue its efforts to have the developed nations understand that it is necessary to hold political talks to comprehensively resolve the foreign debt issue. Alfonsin reasserted that it is a serious mistake to focus on this issue just from the perspective of a money lender, stifling the development of our nations. He stated that a faith in the democratic institutions is also involved in the fair resolution of the foreign debt issue.

Alfonsin emphasized that Latin America will not be successful in this difficult enterprise unless the Latin American governments seek a consesnsus and make a united effort. He emphasized that Latin America must bravely persist in its integrationist efforts, seeking to strengthen and expand the existing agreements.

Alfonsin asked that effort and imagination be used to probe other fields and means such as counterbalanced trade, Latin American marketing enterprises, and joint ventures in new industries. Alfonsin spoke about the need to make an effort to achieve an equitable participation by all countries, large and small, ensuring the small countries an effective access to the regional markets.

Upon addressing the crisis that Latin America is facing, Alfonsin mentioned the magnitude of the debts that overburden our nations, the drop in production, the drop in prices for export products, the unfair closing of the markets, and the implementation of measures restricting imports. Alfonsin also commented on the scourge of inflation, which exhausts the possibilities of drafting economic programs, the huge unemployment rate, the loss of bargaining power in the world, the increase in dependency, and the injustices derived from a discriminating international order. This order, he said, is experiencing a crisis, and our own imbalances through which, either because of actions or omissions, we have been unable to overcome have grown worse, thus aggravating the situation.

Alfonsin stated that we are pressed for time but the conviction of being on the threshold of a profound transformation of the current state of affairs fills us with energy. He remarked that within the framework of these tremendous difficulties and hardships, an advance on the road toward Latin American integration has begun.

Alfonsin stressed that democratization processes are making progress in Latin America and emphasized that the prevailing conditions in the international market should make an increase in Latin American international trade possible.

Alfonsin commented that we do not believe that Latin American integration can be achieved as an economic and commercial phenomenon alone. Neither do I believe, he said, that the goals may be restricted to merely overcoming border conflicts among sister nations. We are not only overcoming rhetoric, but are also conceiving the action we are currently undertaking as the beginning of a broader strategy which has a political, moral imperative as its starting point. The Argentine president stated that integration is an unending process involving the economic, social, political, and cultural fields. Integration is a basic political understanding which does not constitute a goal but is translated into common stands, consensus, and comprehensive agreements stemming from similar objective situations and from the assumption of a particular identity by every nation and continent.

Alfonsin stated that within this concept we endorse, with hope and solidarity, the efforts of the Contadora Group which is struggling to begin talks to help forge a broad fatherland. Let the nations decice through the power of the cultures, toil, and the institutions and not through the power of violence, the military powers, and the extremist forces that thrive on division and confrontation.

Alfonsin added that Latin American integration will only be possible if we are able to correctly analyze the world situation. Isolating ourselves or regarding the rest of the world as enemies would be another mistake and another proof of weakness that would lead us into further isolation and into not clearly and intelligently considering the growth opportunities we can have.

Alfonsin stressed that Latin America is heterogeneous and this is where its wealth, power, and strength lies. The distribution of natural resources, the demographic distribution, and the various ethnic and cultural characteristics make our continent a scene from which countless expressions of human activities emerge. It is within a respect for and acknowledgement of this variety, of this heterogeniety that we must find what unites us.

The head of state arrived at the INTAL headquarters at 1930. He was met by INTAL Director Juan Mario Vacchino and by IDS representative Marcelo Ribeiro. Alfonsin then went to the ceremonial hall to take a seat at the dais and then the ceremony started with Vaccino's speech. In conclusion, President Alfonsin spoke on Latin American integration and the ceremony concluded with a banquet served in the adjoining halls.

FOREIGN MINISTER DEPARTS FOR CONTADORA MEETING

PY240210 Buenos Aires Domestic Service in Spanish 2300 GMT 23 Aug 85

[Text] The government insists on more active participation in the search for a solution to the Central American crisis. For this reason Foreign Minister Dante Caputo has traveled to Colombia. Before departing he repeated once more that Argentina does not have a concrete proposal for the creation of a Central American peacekeeping force.

Caputo left this afternoon for Cartagena, Colombia, to participate in a 3-day meeting of the Contadora Group. Before departing, he said Argentina is not encouraging the idea of creating a Latin American peacekeeping force in Central America, although this does not mean that this topic will not be discussed. All we have said is that this will not be the only topic that will be discussed.

We have denied the existence of a concrete proposal. He explained that the mechanisms of verification and control in peace time must be carefully analyzed. Caputo noted that the Argentine position is to cooperate actively with the Contadora Group to achieve its objectives. We will cooperate, Caputo said, in drawing up new political proposals to solve the problem that affects not only Central America, but also has the potential to affect other countries outside that region.

CUBA'S RAUL ROA ARRIVES, COMMENTS ON DEBT

PY231720 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1600 GMT 23 Aug 85

[Text] Buenos Aires, 23 Aug (NA) -- In remarks made shortly after arriving in Argentina, Cuban Deputy Foreign Minister Raul Roa today stated that his country "prefers" as new president of the Nonaligned Movement a representative of a sub-Saharan African nation, especially one of the "front-line" states.

Roa, one of the first Cuban foreign ministers after the victory of the revolution in 1959, arrived here this morning for consultations on the forthcoming meeting of the Nonaligned Movement to be held in Luanda, capital of Angola. At Ezeiza International Airport, Roa stated that during his stay in the country "we are going to talk about all subjects included in the draft document prepared by the Angolans, and the foreign debt issue is included in the chapter on the economy." He added that "his country's foreign debt totals $3.5 billion" and that it is paying this debt on schedule. Asked why Cuban Presidential Fidel Castro says that the foreign debt should not be paid, Roa said that "Fidel Castro says that the foreign debt is impossible to pay, which is quite different."

"We feel that many countries find it impossible to pay the foreign debt, but countries such as Cuba can pay it," he stated.

SOURROUILLE CONFIRMS DEBT RENEGOTIATION, LOAN

PY252244 Buenos Aires BUENOS AIRES HERALD in English 25 Aug 85 p 17

[Text] (NA-DYN) -- Economy Minister Juan Sourrouille ratified last night that an agreement has been reached -- to be signed next Tuesday -- for refinancing "more than 40 percent of the foreign debt" and announced that Argentina has been granted "a 5-billion (thousand million) dollar loan, which will arrive "before March 1986", but admitted the debt problem is "still far from being settled".

Sourrouille, who left last night for New York, released a written statement in which he reiterated Argentina's demand that the industrialized nations quickly reduce their interest rates, increase the flow of funds toward developing nations and lift protectionist measures that hinder exports.

The agreement includes Argentina renouncing sovereign immunity and solidarity in guarantee of all the assets of the Argentine state. Another clause stipulates the New York court as having legal jurisdiction over the contract. The accord grants a three-year grace period and seven additional years to cancel the debt, which implies 10 years with growing interests.

Sourrouille is personally heading the mission, even though a final agreement has not yet been reached with the Ambro Bank of Holland, which demands that the Central Bank accept an additional debt of 160 million dollars contracted by the Cogasco Company for building a gas pipeline.

Secretary of the Treasury Mario Brodersohn said the disagreement would not keep the agreement from being signed. The steering committee of Argentina's creditor banks -- headed by Citibank -- has been pressuring Ambro to join the accord.

CHAMBER OF DEPUTIES PASSES DEFENSE BILL

PY240032 Buenos Aires BUENOS AIRES HERALD in English 22 Aug 85 p 1

[Excerpt] (NA-DYN) -- The lower House passed the administration-sponsored National Defence Bill last night after eight hours of floor debate; at the same time the Justicialist deputy caucus voted unanimously against the 1985 budget draft and their Radical colleagues were preparing to approve a majority motion today on the proposed collective bargaining law.

After weeks of uncertainty whether Congress would approve any legislation at all before it recesses on September 30 -- because of lack of quorum by either of the two principal parties -- the first of three major pieces of Radical legislation worked its way through another stage of congressional procedures (and now awaits Senate debate).

Intransigent and Christian Democrat Party deputies teamed with Radicals to out-vote the combined Peronist-led opposition -- along with the Union for a Democratic Centre, Corrientes Liberal and Jujuy Popular Movement parties -- to the defence draft.

CGT DECIDES TO SUSPEND DIALOGUE WITH GOVERNMENT

PY231555 Buenos Aires Domestic Service in Spanish 2300 GMT 22 Aug 85

[Text] The General Confederation of Labor [CGT] has temporarily suspended the dialogue with the government within the socioeconomic conference, because its salary demands have not been met. The CGT leaders attended a session of the socioeconomic conference this morning despite the fact that during the conference's first session Economy Minister Juan Sourrouille had announced that no salary changes would be introduced. The CGT warned, however, that it would not give up its salary demands.

For their part, some leaders of the industrial sector had said that the conference is to analyze proposals for reactivating the economy and not salary problems in the private and public sectors.

The CGT decision was announced this afternoon after a meeting held by the organization's executive board. The CGT said it will not change its position until the government decides to consider the labor demands. After the conference session held at Government House this morning, labor leader Saul Ubaldini told reporters that the CGT will decide whether to continue with the dialogue within the conference. He stated that the strike and the rally scheduled for 29 August remain firm, and that there will be no socioeconomic conference sessions before that date.

Alfonsin Scores Decision

PY241308 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1225 GMT 23 Aug 85

[Excerpt] Buenos Aires, 23 Aug (NA) -- President Raul Alfonsin today harshly criticized the decision of the CGT to withdraw from the dialogue with the government and businessmen. Referring to the attitude of the CGT leaders, he said that "those who leave without being thrown out will return without being called back."

"I do not like defiant attitudes; I do not like to defy anyone and, consequently, I do not like anyone to defy me," Alfonsin remarked quite angrily this morning shortly before leaving for La Rioja. He also pointed out that CGT withdrawal from the framework of the socioeconomic conference, at least until after the rally and stoppage on 29 August, "is a serious lack of consideration, particularly when a branch of the government is involved, as it is in this case."

PINOCHET LAUDS ARMY AT ANNIVERSARY CELEBRATION

PY241726 Santiago Domestic Service in Spanish 2300 GMT 23 Aug 85

[Text] President Augusto Pinochet has said that the Armed Forces will not yield to the useless attempts of the Marxist groups which seek to divide the institutions in charge of national defense. The president made these statements during the friendship meeting held at the military college with the members of the Government Junta, ministers, acting generals and admirals on the occasion of his 12th anniversary as commander in chief of the Army.

[Begin recording] How mistaken are those who believe that we will yield to Marxist-Leninist aggression. By believing that we will betray the blood bravely shed by our soldiers for the defense of the fatherland and liberty, they show that they do not know military men.

The institutional objective set by our people when they approved the Constitution demands concrete solutions in order to strengthen the institutions that safeguard liberty and that resist the attacks of Marxist-Leninist totalitarianism as well as those of the Soviet Union.

Neither the pressure, the abuses, or the attempts to divide us will make us stray from the path we have chosen, fully aware of our responsibility. This responsibility in our capacity as authentic patriots compels us to reflect on our historic experiences and to be aware of the sad future of the many countries that were not able to resist communism and are now subject to its bloody tyranny. [end recording]

His excellency also referred to the noble qualities of the Army, including their commitment to Chile and Chileans. He said that the Army, with its firm loyalty, patriotic spirit, serious professionalism, high moral standards, and sense of honor, has never been absent in the adoption of decisions for the supreme well-being of the fatherland.

[Begin recording] That very civic responsibility, which is characteristic of true servants, allows us to distinguish the difference between the Chilean citizens who make an effort to improve and those insignificant groups determined to promote agitation, disorder, and incite the struggle of classes. Our conscience as free and patriotic men is shaken even more when we see the communist cells, inspired by violence and serving Soviet imperialism, actively seeking to destroy everything.

The commitment to Chile and its freedom today demands us to confront with courage and determination that vile campaign staged by communism and certain political groups characterized by their persistent attacks against the government's works. By resorting to dialectics, lies, and fraud, distorting values and our objectives, those sectors seek only to discredit the government and make it appear as if it were against the Chilean peoples' interests and aspirations.

By resorting to the most despicable arguments, our adversaries seek to sow dissension between the citizens and the Armed Forces, forgetting that the Armed Forces are made up of citizens and that they fully reflect the nation's attitude. They also seek to intimidate us by [word indistinct] attacking our men through a sinister strategy of terror and violence. Our enemies believe that if they manage to separate the Armed Forces from the civilians and break their strong unity, that the [word indistinct] would be favored. However, unfortunately for them, Chileans are acquainted with their old and worn-out strategy of demagoguery and political chicanery and know that they are not capable of confronting the country's problems with courage and a sense of realism. [end recording]

President Pinochet also criticized the attitude of the politicians that allowed communism to attain power in 1970.

[Begin recording] Those who currently intend to present themselves as leaders are the same ones that yesterday allowed communism to attain power and then requested the armed and security forces' intervention. These men are all hypocrites and can be found everywhere preaching democracy and liberty, without caring what really happens. The truth is that they are seeking, by all means, to reach power to subject us to the dominion of a bigger brother. However, today I repeat that this will not happen again. The armed and security forces, strongly united with our fellow countrymen, will continue the path we have chosen until we have definitely overcome the threat of totalitarianism. This is what our people today demand from the Chilean soldiers. The fatherland is demanding that we fully devote ourselves to the great cause of defending liberty since it guarantees the institutional order of the Republic. In addition to permanently watching over our domestic and foreign security, the armed and security forces in the future will have an important role in the integral development of the country.

Within this context, and in view of the need to undertake this role, according to the sovereign mandate of the nation, the Army as well as the other institutions must be ready to adequately fulfill these multiple duties. According to the law, each institution is responsible for its members. [end recording]

In another part of his speech President Pinochet also referred to the present given him by Lt Gen Julio Canessa, deputy commander of the Army. The present was a reproduction of the Bernardo O'Higgins sword which is a symbol of command.

[Begin recording] Historically speaking, the Chilean sword remains unsheathed, alert, and ready, because wisdom, justice, law, and reason were the paths through which the duties of our citizens were channeled.

However, when the enemies of the fatherland tried to make us stray from those paths of peace which we have always protected, all of Chile did not hesitate a minute to unfold its sword with energy and determination. This symbol that you present to me today will represent a new incentive to confront, together with all the men of my fatherland, the challenges we may face today and tomorrow. I reiterate my faith in the Army, to whom the fatherland owes so much, and, inspired by the strong support you have expressed to me today, I call on you to continue giving the best of yourselves for the welfare of Chile and our fellow countrymen. [end recording]

The main ceremony to celebrate the president's 12th anniversary as Army commander was held at the Bernardo O'Higgins Military College.

Army Pledges Loyalty

PY232159 Santiago Domestic Service in Spanish 1730 GMT 23 Aug 85

[Excerpts] The Army has expressed its full support and loyalty to President Augusto Pinochet in his capacity as Army commander.

Since early this morning at the presidential residence, General Pinochet has received greetings on the occasion of his 12th anniversary as Army commander.

At 0800, the Army band, all generals on active duty, and military representatives gathered in front of the presidential residence. Among them was General Julio Canessa, deputy commander of the Army. As soon as President Pinochet came out to the garden he received Gen Canessa's greeting and expression of full support and loyalty.

[Begin Canessa recording] Good morning General. On the occasion of your 12th anniversary as Army commander, in addition to the efforts made by the Army, I want to express to you our full loyalty and the satisfaction and honor we all feel in serving [words indistinct]. [end recording]

President Pinochet, in turn, thanked Gen Canessa for the message he delivered on behalf of the Army to which, he said, he has devoted [words indistinct]. After that Pinochet and Canessa embraced and the president turned to the Army officers, who also congratulated him.

FOREIGN MINISTER COMMENTS ON N.Y. TIMES ARTICLE

PY241550 Santiago Radio Chilena in Spanish 2300 GMT 22 Aug 85

[Report from the Foreign Ministry by Jose Francisco Contreras]

[Excerpt] Foreign Minister Jaime del Valle has termed reports published by THE NEW YORK TIMES in the United States as false, tendentious, and lacking objectivity. He added that the THE NEW YORK TIMES reports will receive a response in due time through the U.S. media. The foreign minister was commenting on the article in which President Reagan is asked to adopt a clear policy against the Chilean regime, and to grant more consistent aid to the Chilean opposition.

CHURCH, POLITICAL OFFICIALS MEET IN SANTIAGO

PY241651 Santiago Radio Chilena in Spanish 2330 GMT 23 Aug 85

[Excerpts] Representatives of political parties, who today held a 7-hour meeting with a commission appointed by Santiago Archbishop Msgr Juan Francisco Fresno, have stated that they are very optimistic about the possibility that a complete agreement could be reached very soon. The call made by Msgr Fresno for national reconciliation was the main topic of discussion. The meeting took place in the Barcelona hall at the Spanish community center. Present at the meeting were Fernando (Leniz), Sergio Molina, and Jose Luis (Zavala). Twenty political leaders, ranging from the National Union Party to the Socialist Party, represented the political parties at the meeting. Gaston Ureta for the liberals, and Sergio Navarrete from the Mandujano socialist sector, joined this new meeting. Nationalist leader Pedro Correa stated that progress is being made and that an agreement will be reached very soon. Christian Democratic President Gabriel Valdes stated that we are approaching an agreement.

[Begin recording] [Valdes] We are making a more elaborate review and we are making progress. We are reaching a consensus on the most complex points. I am optimistic. I feel that we will be able to continue.

[Reporter] Mr Valdes, are there any controversial points that appear doubtful to you?

[Valdes] No. I have no doubts on any point. However, as is only natural, there are disparate opinions. Therefore, these disparities must be resolved.

[Reporter] When could there be a response or a final pronouncement?

[Valdes] I believe that next Monday or Tuesday we will already have all the (?data). [end recording]

In turn, Sergio Molina, a member of the Fresno commission, also confirmed that substantial progress has been made and announced that another meeting will be held next Sunday.

PEACE COMMISSION MEMBER VIEWS 'VIOLENT' SITUATION

PA242158 Bogota Cadena Radial Super in Spanish 1730 GMT 24 Aug 85

[Text] Bogota -- Peace commission member Alberto Noro Castillo has described the non-fulfillment of the truce accords by the M-19 [19 April Movement] as regrettable.

Noro Castillo has said that 1 year after the accords were signed in Corinto, the situation is hardly satisfactory because violent actions have increased, particularly in Cauca, Valle, Quindio, Antioquia, and Santander Departments, where not only have the military forces and the guerrillas suffered casualties, but innocent people such as peasants have been victimized.

Discussing the national government's efforts, the peace commissioner indicated that both the executive and the legislative branches should concern themselves more with the social reforms that they pledged to carry out and that the country so urgently needs. Finally, Noro Castillo vigorously condemned the murder of Corinto Mayor Narciso Norenga Valencia, the wave of abductions, extortion, and other actions of which numerous Colombians have been the victims.

ARMY CONDUCTS AIR, LAND SEARCH AGAINST GUERRILLAS

PA242135 Bogota Cadena Radial Super in Spanish 1730 GMT 24 Aug 85

[Text] Cali -- Troops from the 3d and 8th Army brigades are currently carrying out search operations by air and land in an effort to counter new guerrilla actions.

Brigadier General Fernando Gomez Barros, commander of the Cali-based 3d Brigade, has reported that, although no clashes between regulars and rebels have occurred, government forces have taken action to prevent the guerrillas from withdrawing to Choco Department. Gomez Barros added that the Roldanillo and Bolivar municipalities -- where actions have occurred in the past few days -- are also under strict military control, that a guerrilla killed and identified as Ricardo Rojas Marian was from Peru, and that ties between Peruvian and Colombian guerrillas have been discovered.

67-CENT DEVALUATION ANNOUNCED FOR PESO

PA232126 Bogota Television Service in Spanish 1730 GMT 23 Aug 85

[Text] The Colombian peso was devalued by 67 cents at the close of this week's money market operations. Consequently, effective today Colombians will pay 151 pesos for each dollar.

BRIEFS

OIL RECOVERY PROJECT -- Ecopetrol [Colombian Petroleum Enterprise] will recover 70 million barrels of crude oil between 1987 and 2001 through a project of secondary recovery [proyecto de recuperacion secundaria] which consists of injecting water into the currently productive wells in Casabe, Antioquia Department. President Belisario Betancur will inaugurate the water pumping plant on the occasion of Ecopetrol's 34th anniversary. During the next 16 years, Ecopetrol will increase its oil production in that region from 2,800 to 26,000 barrels a day. [Summary] [Bogota Television Service in Spanish 1730 GMT 23 Aug 85 PA]

PRESIDENT GARCIA DISCUSSES ECONOMY MEASURES

PY232107 Lima Cadena Panamericana Television in Spanish 0330 GMT 23 Aug 85

[Excerpts] In one of his regular dialogues with the people, President Alan Garcia today addressed the people from the balcony of Government House and told them that the prices of medicines and food will continue to be lowered and that there will be popular participation in the handling of the economy.

He announced that agriculture will be promoted by further reducing interest rates on agriculture loans. He also told the large crowd that many luxuries, such as credit cards, cars, fuel, and inflated salaries for public employees will completely and definitely disappear. The following is the complete 30-minute speech by President Alan Garcia.

[Begin recording] Let me greet and congratulate all of you for your civic behavior and for the enormous responsibility you have demonstrated during the first 25 days of our administration during which, with your support, we are just beginning to solve some of our country's old problems.

You know that our main problem is price increases. Medicines, transportation, everything increases. This represents a serious problem for the popular economy. This is why the first thing the government is doing is seeking a way to stop price increases.

Why do prices increase? Because, some people say, it is too expensive to produce and those who produce gain excessive profits, or because the dollar, with which the raw materials are bought for manufacturing Peruvian goods, becomes more expensive every day.

From our first day in office we began lowering the interest rates on domestic loans, which is the additional amount of money you have to pay when you borrow. Formerly, you paid 280 percent interest on every 100 soles you borrowed. We first lowered that interest rate to 110 percent. Now, 2 days ago, we lowered the maximum interest rate on loans to 75 percent. [applause]

This is an anti-inflation measure meant to prevent the increase of prices so industrialists will no longer be able to say: I am increasing my prices because loans are too expensive.

This is why we froze prices. From this same balcony, I asked the Peruvian people to help us to control prices, speculation, and monopoly because it cannot be done alone by the government or the prefecture. We need the aid of the municipalities, but mainly, we need the help of the housewives. They must denounce bad traders and speculators. This is what we call planning the economy.

This is a government that plans. The time when some people did what they pleased with the people's economy is over. We have to produce, and for that we have to control interest rates, but we must also control prices in order to stop being abused by those who want to get rich at the expense of the workers. We need to govern the economy with the help of all of you, and this means that we have to make a national effort, not only a government effort.

Other governments have adopted similar measures, and they have failed because they did not receive the support of the people. But I am very proud of my people because they are helping me to stop inflation. [applause]

We first need to produce and save more in order to create more jobs for all of you but meanwhile we will control and plan our economy. By planning our economy I mean that those who have much should contribute by paying taxes and by freezing their prices and even by reducing their prices when they are too high.

We have studied the case of medicines. As I told you here before, we told the pharmaceutical laboratories to reduce the prices of their main products. Now the Health Ministry has informed me that it has managed to negotiate and forced the laboratories to lower the prices of 10 more medicines, including ampicillin, a basic medicine for our people.

I want to tell you that by freezing the dollar deposits, which used to be sent abroad along with our wealth, we are defending the only positive aspect of the foreign debt. Now the Central Bank has just reported to me that in the last 25 days we were able to increase our reserves by $52 million.

In this manner, we now have more resources for the reactivation of production. I have said before that instead of paying the foreign debt in the manner it was being paid until recently, we will use our scarce resources to create more jobs and satisfy the most urgent needs of the people, by which I do not mean school bands, which someone has just asked me about. I mean food and health improvements for the poorest neighborhoods. [applause]

We are going to issue a second set of economic measures to improve national agriculture. I have said in Lima and in other cities that our living standard is very different from that of rural and poor Peruvians. We must bear in mind that the villagers are also Peruvians and the owners of the country. This is why our second set of measures will promote agriculture which is the base on which the country should have been constructed, but which has been forgotten.

This is why we do not have enough food. We buy food abroad at prices imposed on us, thus increasing our debt. Our future lies in producing more food.

We told our foreign minister, Allan Wagner, that we have too many ambassadors, embassies, and attaches. So this week he ordered a number of bureaucrats, who were idle abroad and costing thousands of dollars, to return to the country, thus saving us $2 million. By this measure we have just saved ourselves 25 million soles more, and we will continue saving in our embassies.

We must also talk about the State Petroleum Corporation [Petroperu] where there are 11,000 employees, each of whom earns more than 275,000 teachers. Petroperu has 500 managers, agents, and advisers who earn more than a billion soles. That is, 500 employees are earning what 100,000 teachers earn. So now we are telling them that the party is over.

I have just finished writing some presidential orders to be sent to the ministries and state companies which spend the most. The orders say: First, we must reduce the number of management and junior management posts, as well as legal representatives, to a third of what we currently have. Second, if one works for the state, he does so to serve the state and not to take advantage of it, as some people do. So if someone wants to continue working for the state, he will not do so to get rich but to make sacrifices. This is the spirit of patriotic dedication. We said the maximum salary of the most capable expert must be 15 million soles and not 180 million soles as it has been until now.

Third, we have instructed all the state companies and ministries not to provide any more credit cards to employees. Do you know what a credit card is? For example, a company manager or president invites his friends to a luxurious restaurant and does not pay with his money. He just reports that he is paying for official entertainment with a state credit card which actually belongs to all of us. So the credit cards will be suppressed forever. [applause]

I am also ordering that no more public employees be hired. We have got enough -- too many -- of them. The ministers and state company presidents will be responsible for not hiring any more public employees. Even if the applicant belongs to my party, tell him: No, you are not an American Popular Revolutionary Party member, you are an opportunist.

There are some companies here in which even the cat has a car with a driver. We will only give a car to those who really need it. The rest of the cars are going to be sold at a public auction, and the money will be given to the poor children of Peru. [applause] I also tell you that all the remaining cars will only be used for official purposes. Therefore, all the official cars will bear an official seal. I ask the Peruvian people that whenever they see one of these cars at the beach or at some entertainment place to report them. [applause]

We have begun to bring order to the institutions but there are many who are surprised and say: Do not go so fast Mr President; you are going too fast and it is dangerous. I tell you that what is dangerous is to remain still. The government is like a bicycle; if it does not move it falls. Some people tell me, watch out, you are going to get killed. I say somebody else will take my place to continue what we are beginning here. [applause]

Now, there are some other institutions that should also be reorganized, such as the judicial branch. Although we respect the principle that each branch of government is independent, I believe no one should be allowed to misuse his immunity to act immorally. The bad employees, notaries, judges and magistrates must be removed from the judicial branch. [applause] [end recording]

BANK EMPLOYEES DECLARE INDEFINITE STRIKE

PY232344 Paris AFP in Spanish 1716 GMT 23 Aug 85

[Text] Lima, 23 Aug (AFP) -- About 30,000 Peruvian bank employees today declared an indefinite strike for higher salaries despite government efforts to prevent the conflict, which is affecting almost all the banks in the country. Police riot squads have been standing guard since this morning at bank offices because some strikers wanted to stage street demonstrations.

Jorge Diaz Salazar, secretary general of the Federation of Bank Employees, has stated that the strike is being observed by workers at all levels and that it has nothing to do with a government decision yesterday which separated private banks from state and mixed-ownership banks. The latter make up 70 percent of all Peruvian banks. The negotiations will be conducted directly with the federation and not with the federated unions of each bank, Diaz Salazar stated, reporting on an agreement adopted by the union.

Labor Ministry officials have reported that only the employees of the Bank of the Nation have not joined the strike.

The strike was declared when bank management offered a wage increase of $28.70 (400,000 soles) but the federation wanted six times that amount in addition to an increase on indemnity ceilings and other demands.

ABADIA VIEWS CONTADORA MEETING IN CARTAGENA

PA230343 Paris AFP in Spanish 0233 GMT 23 Aug 85

[Text] Panama City, 22 Aug (AFP) -- Today Panamanian Foreign Minister Jorge Abadia declared that the weekend meeting in Cartagena between the Contadora Group foreign ministers and their colleagues from Brazil, Uruguay, Argentina, and Peru, "will be crucial" for the future of the peace efforts in Central America.

Abadia said that the issues to be discussed by the foreign minister include the Manzanillo dialogue, the presence of military advisers in the area, the control and verification mechanisms for a regional peace treaty, and the possibility of a direct dialogue between Nicaragua and Costa Rica. The Panamanian minister noted that foreign ministers will make greater recommendations on those topics, and that the resolutions will later be revealed to the five Central American governments.

"If they refuse to accept them, then it means they want war," Abadia warned, pointing out that if the peace initiatives fail the Contadora Group will limit itself to drafting a final report on the Central American situation to be presented to the United Nations. "We cannot permit this situation to extend indefinitely," Abadia remarked shortly before leaving for Cartagena.

NORIEGA DISCUSSES CONTADORA PROCESS, NICARAGUA

PA241940 San Jose RUMBO CENTROAMERICANO in Spanish 15-21 Aug 85 p 9

[Text] Stating Panama's position regarding the current conflict in Central America, General Manuel Antonio Noriega, commander in chief of Panama's Defense Forces, asserted that Panama is the meeting point where the various parties in conflict can be reconciled.

Along these lines, he stressed that, "both in the Contadora Group and the Defense Forces," Panama advocates peace because this country is convinced that an armed clash between some countries would of necessity affect the entire region.

At the same time, Noriega said he does not have any knowledge of any statements by Panamanian Foreign Minister Jorge Abadia -- attributed to him recently by an international news agency -- according to which he, Abadia, allegedly said an international pressure movement was necessary to force the United States to resume the so-called "Manzanillo negotiations" with Nicaragua. Noriega made these statements exclusively to RUMBO CENTROAMERICANO during his visit to Costa Rica on 9 and 10 August, when he met with Costa Rican President Luis Alberto Monge.

Definite Position

At least to outside observers, Panama's position regarding the Central American problems is sometimes confusing. Panama gives the impression that its position in the Contadora Group is one thing while its position regarding its neighbors is another.

Noriega explained: "Panama's position is very clear." He then recalled that Panama "is the only country that has maintained good relations with other countries by fostering dialogue, questioning when it has been necessary, and praising everything worth merit." He also stressed: "Our position both in Contadora and the Defense Forces is firm and categorical."

Nevertheless, he justifies the apparent confusion in Panama's foreign policy -- that some have noted -- with other arguments. He noted: "It so happens that there is much special material that cannot be handled lightly and discussed publicly because such a discussion would create confusion and division." He then insisted: "At present, Panama is the point through which all the region's conflicting positions can be reconciled."

Coexistence

This possibility of reconciling conflicting views leads us to ask whether -- as Guatemalan Chief of State Oscar Mejia Victores said recently -- it is feasible for the nations of the isthmus to coexist with a Marxist regine in Nicaragua.

Asked about this statement, Noriega withheld his judgment because "opinions and views must be respected, particularly if they originate in brother countries." In apparent agreement with Mejia Victores, however, the Panamanian military man explained: "As a matter of doctrine, we believe that it is not political ideologies that determine normal relations among men but the position of leaders, and the ruling class."

In order to explain the former, Noriega used an example. "In a religious community, Protestants and Catholics coexist because it is not their religious convictions that cause division, but their behavior." He added: "If Protestants are aggressive and vulgar, there will be violence. If, on the contrary, they are affable, outspoken, and friendly, peaceful coexistence will occur."

The Costa Rican Government has persistently requested the same situation. A few days ago, Costa Rican Minister Carlos Jose Gutierrez pointed out that, despite his country's efforts to peacefully coexist with Nicaragua, the Sandinist regime has continued its verbal aggression and its territory violations.

Noriega recalled: "We have received that complaint and have sent it to the Nicaraguan military men during out talks with them." What has been the Sandinists' answer?

Noriega hesitated a little before answering this question. Immediately afterwards, he asserted that the argument had been "turned upside down" by the Sandinist commanders who say it is they who have been attacked by hostile groups from Costa Rica. He stated: "There are conflicts and answers, answers and conflicts."

Overall Problem

According to statements recently attributed to Abadia by an international news agency, Abadia had demanded international pressure to force the United States to resume the Manzanillo talks, that is, direct talks with the Sandinists. Also according to the news agency, Abadia said that the Sandinists had indeed been fulfilling their pledges with Contadora by drafting a new constitution.

Asked about this, Noriega said he did not know "in detail" the extent of Abadia's statements. According to Noriega, these statements could be "personal" opinions and then he recalls that "the United States has proposals and arguments not to return to the Manzanillo talks." At the same time, Noriega stressed that Central America's conflict must have an overall solution "because this is a problem in which economic, social, and geopolitical conditions have a bearing." He stressed: "It is something really complex."

According to this view of reality, Noriega expressed concern for peace and warns about the responsibility of each of the leaders. He thinks a single mistake could lead the region to a big conflict in which "nobody would come out the winner."

PARTY, MINISTER REACT TO ZUNIGA KIDNAPPING

Social Democratic Party Communique

PA232302 Panama City LA PRENSA in Spanish 23 Aug 85 p 12 A

[Communique issued by the Social Democratic Party of Panama on 22 August]

[Text] For the Social Democratic Party of Panama, the cowardly criminal attack on Dr Mauro Zuniga, secretary general of the Amoacss [Association of Doctors, Dentists and Related Professionals of the Social Security Institute], is explained by the political-military system that directly or indirectly has been ruling the country since the October 1968 military coup. The citizens know that the leadership of what is now called the Defense Forces has been sponsoring and directing civilian groups with paramilitary structures -- such as the G-2, the old FEP [Federation of Panamanian Students], the "Seventh Force" [special commando group], and the groups of political terrorism of the political parties created and financed on the orders of the military leadership. One recalls the PRD [Democratic Revolutionary Party] group called GRAPO [People's Support Group] which carried out the first armed attack on the newspaper LA PRENSA, the group that included "rank and file" leaders of PALA [Labor Party] which carried out another attack on the personnel and installations of LA PRENSA, and the "Special PRD Command" led by infamous Humberto Lopez Tirone who was rewarded by the current occupant of the presidential palace. In the past elections, that command used baseball bats to carry out criminal attacks on its political opponents.

The "kidnapping" of Dr Mauro Zuniga was carried out in Veraguas Province which, despite its noble residents, has been the site since 1968 of the crimes against Father Hector Gallegos and Marlene Mendizabal and her boyfriend. Terror has been imposed on the people of that province by the arrogance and bloody instincts of big landowners and politicians of the region who have family ties with the late dictator Omar Torrijos Herrera and current high-ranking officers of the so-called Defense Forces.

The Social Democratic Party of Panama again calls the attention of civic, professional, union, and business groups and the Panamanian people in general to tell them that Panama is now headed towards what we call the door to the Salvadoran, Nicaraguan, and Guatemalan political path in which the violence and political terrorism sponsored by the armies of those countries have provoked the armed struggle of those peoples against such armies. This is obviously used by those from both the extreme right and from Marxist-Leninists, who are constantly trying to create the conditions for their totalitarian political models to the detriment of their peoples.

With the attack on Dr Mauro Zuniga, the White Hand [not further identified] with its new name, F-8 Terrorist, re-emerges in the country, specifically in the long-suffering Veraguas Province.

We wish to point out to the United States, which sponsors and generously finances through its proconsul in Panama the current commander in chief of the misnamed Defense Forces, that it should remember the costly and almost irreversible political experiences of the honest officers who, like them, obeyed orders from irresponsible commanders to violate the law and who became victims of the violence caused by the system itself.

We also want to give some free advice to those who direct the communications media and the officials of the judicial branch and the Attorney General's Office. They should know that the promises of "undertaking investigations to the end" and the disinformation to cover up those who are really responsible for the attack on Dr Mauro Zuniga are not acceptable to a large sector of citizens. Remember that the small or large payoffs that you receive from this corrupt system will not compensate for the grief and mourning when our small country finds itself like today's Nicaragua, El Salvador or Guatemala.

Panama, 22 August 1985

Carlos Ernesto Gonzalez de la Lastra, president

Alvin Weeden Gamboa, secretary general

Justice Minister's Statement

PA240409 Panama City Televisora Nacional in Spanish 0000 GMT 24 Aug 85

[Text] In a statement released today, Government and Justice Minister Jorge Ricardo Riba strongly repudiated the recent attack on Dr Mauro Zuniga. In the communique, Minister Riba said that it is imperative to make the best efforts to promote peaceful coexistence among Panamanians and to prevent the violence of those who pursue chaos and destabilization. The National Council of Organized Workers has also issued a communique repudiating and condemning the actions against Dr Mauro Zuniga.

COSTA RICA

GOVERNMENT REPORTS FURTHER NICARAGUAN VIOLATIONS

Aircraft Enter Territory

PA231819 Panama City ACAN in Spanish 1745 GMT 23 Aug 85

[By Juan Ramon Rojas]

[Excerpt] San Jose, 23 Aug (ACAN-EFE) -- The Costa Rican Government has charged that five Sandinist aircraft this Thursday flew over Costa Rican territory in the San Juan River area. The San Juan River serves as the border between Costa Rican and Nicaragua.

Information Minister Armando Vargas Araya reported today that five helicopters of the Sandinist Air Force (FAS) violated his country's airspace to search for a better angle to fire at positions of the Democratic Revolutionary Alliance guerrillas led by Eden Pastora. Vargas Araya said that no one was injured during the incident and affirmed that the helicopters entered Costa Rica in the Barra del Colorado region and went to the Boca de San Carlos area, flying over the south of the San Juan River.

This new incident ttok place only 24 hours after the government of Luis Alberto Monge denounced an attack by the Sandinist People's Army on the Boca de San Carlos police post where, again, no one was injured and there was no property damage.

Guardsmen, EPS Exchange Fire

PA251859 Panama City ACAN in Spanish 1835 GMT 25 Aug 85

[By Juan Ramon Rojas]

[Excerpts] San Jose, 25 Aug (ACAN-EFE) -- A Sandinist Army patrol has been surprised by Civil Guard units inside Costa Rican territory, in the Boca de San Carlos region on the border with Nicaragua. According to reports from the northern region of Costa Rica, the Sandinist People's Army (EPS) patrol fired at the civil guardsmen with their rifles and the civil guardsmen fired back.

Area residents told reporters that apparently the Sandinists had seized a farm but then abandoned it after the clash with the Costa Rican public forces.

Public Security Minister Benjamin Piza Carranza has explained that a police patrol discovered the Sandinist group in Costa Rican territory and for this reason obeyed the order to fire at them. Piza Carranza did not report casualties on either side. He said that the Civil Guard remains alert in the border region, which has recently been the site of continuous incidents between Nicaraguan military forces and Costa Rican police units.

This is the third incursion the EPS has carired out on Costa Rican soil this week, according to official reports issued by the government of Luis Alberto Monge. No one has been injured and there has been no property damage as a result of these incidents.

NICARAGUAN EMBASSY DENIES 21 AUGUST ATTACK

PA231404 San Jose Radio Reloj in Spanish 1212 GMT 23 Aug 85

[Communique issued by the Nicaraguan Embassy in Costa Rica dated San Jose, 22 August; broadcast as a paid advertisement -- read by announcer]

[Text] The Nicaraguan Embassy reports to the public the following: According to press reports, Costa Rican Information Minister Armando Vargas has stated that on 21 August, three Sandinist Air Force airplanes entered Costa Rican airspace in the area of Barra del Colorado and proceeded to fire several rockets and drop bombs in the Costa Rican sector of Boca de San Carlos.

Emphatically rejecting such an accusation, the Nicaraguan Embassy expresses its serious concern over this kind of information which, being unfounded and lacking any veracity, negatively affects relations between Costa Rica and Nicaragua at a time when intense efforts are being carried out in favor of formulas of conciliation and understanding between the two sister countries.

The Nicaraguan Embassy again reaffirms its determination to continue to firmly promote the establishment of a security zone on the border with Costa Rica so as to promote a climate of tranquillity and understanding that in no way is helped by reports such as that mentioned.

San Jose, 22 August 1985

MONGE COMMENTS ON RELATIONS WITH NICARAGUA

PA231401 San Jose Radio Reloj in Spanish 1200 GMT 23 Aug 85

[Text] President Monge has said that as long as there is no peace in Nicaragua, there will be difficulties. As long as there is no peace in Nicaragua, Costa Rica will be exposed to difficult situations in the border area, President Luis Alberto Monge said in referring to the border incident on Wednesday morning, when Sandinist planes entered our airspace and fired on Civil Guard watch posts.

The president recalled that in his most recent letter to Nicaraguan Commander Daniel Ortega he stated that Costa Rica is making every effort to secure peace and that peace in Nicaragua is the responsibility of Nicaragua. The letter states that this peace is not being sought with the urgency Nicaragua requires.

Monge said that Costa Rica can resort to actions besides protests. The president said that in order to have a record and so that international organizations can have information on the many violations, it is necessary to continue filing protest notes, but this does not mean that Costa Rica will not resort to other actions.

Monge said that in view of such a delicate situation, his government analyzes every possibility everyday. He noted that the OAS proposals have not been rejected but it is known that the OAS does not want to penalize Nicaragua, not even morally. He said, however, that the OAS path as well as other possibilities are being studied to face the continuous Sandinist aggressions.

According to legal analyses, Costa Rica cannot invoke the Inter-American Reciprocal Assistance Treaty, TIAR, because there has been no invasion.

Monge said in this regard that since the incidents provoked along the border by the Sandinist regime are isolated attacks, there is the risk that Costa Rica may not find the necessary support among the OAS countries. Monge said that according to the attorneys who have studied the situation, Costa Rica cannot invoke the TIAR if there is no general invasion.

Costa Rica has agreed to an inspection of the border area by a Contadora Group commission but in a unilateral fashion, since a bilateral inspection would mean entering into sort of dialogue with Nicaragua, something that will not happen until Nicaragua explains the Las Crucitas incident, the president said.

This inspection will serve to demonstrate that there are no rebel bases operating in our territory. The Sandinists, who will not admit that they have a war inside their territory, are increasing their international propaganda campaign because they want to make Costa Rica appear as a protector of the rebels, the president said. The Sandinists are telling the world that their internal war is a result of an invasion from Costa Rica and Honduras. They don't want to admit that they have a war at home, he said.

Criticizes Contadora Group

PA241835 San Jose LA NACION in Spanish 14 Aug 85 p 4 A

[Text] Yesterday Costa Rican President Luis Alberto Monge said that neither the Contadora Group (Colombia, Venezuela, Mexico, and Panama), the inter-American legal system, nor the OAS is acting properly to protect our country's legitimate rights.

Moreover, he regretted that the "penetrating and powerful" Sandinist propaganda is spreading its "lies" all over the world, and that many Latin American leaders are more receptive to it than to what Costa Rica has to say.

During a brief chat with newsmen in his residence at Pozos de Santa Ana, Monge denied that his administration lacked the political commitment to prevent anti-Sandinist groups from using his country's territory. He said that every effort has been undertaken in that regard, and that although international verification on the border situation had been requested, there has not been a reply.

The president clearly feels that the Sandinist strategy against our country is to repeat time and again charges and complaints; this creates a favorable climate as long as the "inter-American system's attitude of misunderstanding and lack of solidarity" persists. He refused to comment on what should be done about the situation which he labeled "Costa Rica's friendlessness on the continent."

He chastised the OAS and the Contadora Group on this matter. Regarding relations with the Nicaraguan regime, Monge said that in a letter that Nicaraguan President Daniel Ortega Saavedra had recently sent to him, Ortega expressed his desire to achieve peace with Costa Rica. Monge added: "He asked that we meet to discuss his idea on the creation of a demilitarized, neutral zone along the border, and attempted to give something of an explanation on the Las Crucitas and other incidents, saying that he regretted that situation very much."

Monge feels that this explanation is not good enough "because while we are not responsible for the deaths of Nicaraguan children, women, and old persons along the border, they are responsible for the deaths of two civil guardsmen."

On another matter, Monge was asked: Some persons, including government officials, feel that there is a lack of political commitment to effectively stop the anti-Sandinists' veiled use of the border territory, and that that seems to be why our country's foreign policy has so little credibility abroad. Do you think this is true?

Monge replied that it is false to say that there is no political commitment. "We have done everything within our power The world can attest to the fact that maintaining 1,000 men on the border is a big sacrifice. It costs money, many millions."

He added that "it is not that we are not doing anything or that we lack the commitment; rather, it is that Nicaraguan propaganda is stronger and more effective and its lies are more accepted."

Monge stated that Nicaragua has been convincing the world that armed rebel groups move freely here, in fact, with help from the authorities, and that meanwhile there has not been an effective answer to requests for international verification along the border.

Moreover, this newspaper asked the president about his views on the recent decision, which the Costa Rican Government supported, to have Colombia, Venezuela, Mexico, and Panama name a verifying mission along the border area. Monge replied that "we must grant a few things, but the fact is that these procedures have not proven effective."

The president made those comments a few days after the trip to the isthmus by the Contadora Group's deputy foreign ministers to revitalize the process of regional negotiation whereby the group is trying to achieve peace in the area, and also shortly after the formation -- by the Contadora Group -- of a second verifying mission along the border was agreed to, although it is currently in the stage of formation.

GUTIERREZ SAYS BREAK WITH NICARAGUA NOT RULED OUT

PA231356 San Jose Radio Reloj in Spanish 1200 GMT 23 Aug 85

[Text] Foreign Minister Carlos Jose Gutierrez has said that the Monge administration has not ruled out a break in relations with Nicaragua. On various occasions and in view of the repeated attacks and violations by the Sandinist Army, we have been on the verge of breaking relations with Nicaragua but the situation has always been reconsidered. Government sources says that the possibility remains, considering recent territorial violations and the air attack on Wednesday; we now have to think about more drastic actions.

The conditions for signing the peace document do not exist despite past efforts. The conditions for signing the Contadora Group's peace document do not exist. Foreign Minister Carlos Jose Gutierrez maintains that the tension mentioned by Mexican Foreign Secretary Bernardo Sepulveda is not the result of the position adopted by Costa Rica, which is willing to sign the document if it includes all the aspects necessary to achieve peace.

Foreign Minister Gutierrez said that it is not simply a matter of signing the peace document but of fulfilling all its provisions. If this is not done, the efforts would have been useless. Each country that signs the peace document must comply with its provisions. It is not a matter of simply signing the document so as to form part of a group of countries that will subsequently not comply with it.

OFFICIALS INVESTIGATE ITALIAN FUGITIVES

PA252057 Paris AFP in Spanish 1927 GMT 25 Aug 85

[Text] San Jose, 25 Aug (AFP) -- Immigration chief Daniel Leon has revealed that Costa Rican authorities are studying the possibility that several Italian fugitives may have found refuge in Costa Rica.

According to Leon, at the request of the Foreign Ministry the Immigration Department is particularly investigating the case of Marco Traversoni, who -- he said -- is living in Costa Rica under the status of retired pensioner granted by the Costa Rican Tourism Institute (ICT). In addition, the official mentioned Mario and Guido Milani among the Italian terrorists who may be in this country.

At a press conference, Leon said: "We are trying to improve immigration controls," and announced the future measures that will be employed to keep fugitives from entering Costa Rica. He said that every alien entering the country will be asked to present identification papers, as well as tourist and consular visas.

Nevertheless, Leon said that his office and the ICT have different opinions; the ICT is interested in attracting more tourists, but the Immigration Department does not want them to "come to create problems." Leon added that in accordance with Costa Rican law, ICT determines the aliens' corresponding status, and that the Immigration Department extends that permit for residency.

EL SALVADOR

U.S. AIR FORCE PLANE CRASHES IN MORAZAN

PA231959 San Salvador Radio Cadena YSU in Spanish 1710 GMT 23 Aug 85

[Report by Raul Beltran]

[Text] We have last-minute information that has been confirmed by various sources in the eastern region and in San Salvador. We repeat: This is a report that has been confirmed by high-ranking government and Armed Forces sources. With regard to the unidentified airplane that crashed before 0700, the airplane did not carry a registration number and was built of fragile material. It crashed in San Marcos village in San Carlos jurisdiction in Morazan Department. It was a U.S. reconnaissance plane. We repeat: A U.S. Air Force plane of the drone type used for reconnaissance missions in strife-torn areas crashed this morning in the area of San Marcos, San Carlos jurisdiction in Morazan Department.

The official sources consulted in San Salvador by Radio Cadena YSU confirmed that the pilotless craft, operated by remote control, is of the drone type of the U.S. Air Force and was being used in a joint action with the Salvadoran Government and Armed Forces to gather information, especially on the movement of leftist elements. According to the reports, the cause of the accident of the drone-type craft is unknown. According to official reports, it crashed at approximately 0630 in San Marcos, San Carlos jurisdiction in Morazan. Its mission was to gather information in that area of the country, according to reliable military sources consulted by Radio Cadena YSU. As has been reported, the residents of San Marcos said that the plane was pilotless and when it crashed no signs of individuals, bloodstains, or anyone parachuting over the area were seen.

Reliable Armed Forces sources confirmed that it was a drone aircraft on a reconnaissance mission in that area of Morazan. The same sources refused to report the location from where the U.S. Air Force drone aircraft took off.

Confirmed as Accident

PA232048 San Salvador Radio Cadena YSU in Spanish 1745 GMT 23 Aug 85

[Interview with Colonel Mauricio Ernesto Vargas, commander of the San Francisco Gotera military detachment, by Carlos Mario Marquez; place not given -- live or recorded]

[Text] [Marquez] We have established contact with Colonel Mauricio Ernesto Vargas, commander of the San Francisco Gotera military detachment, to ask him about the airplane crash this morning. What are the details of this incident?

[Vargas] A reconnaissance plane crashed this morning. However, it was operated by remote control. It belonged to the U.S. Air Force and was used in joint military operations with the Salvadoran Armed Forces.

[Marquez] Colonel, has a possible guerrilla attack on this aircraft been ruled out?

[Vargas] Definitely. This was an accident. It was due to mechanical failure. After an investigation, the Armed Forces Press Committee will make the results known. As I said, it was a plane operated by remote control in the area near San Carlos [words indistinct] on the way to the Pan-American Highway to San Miguel, Santa Rosa de Lima, and the Goascoran bridge. The possibility of an attack has to be categorically ruled out. It was due to a mechanical failure.

[Marquez] Residents of San Carlos have said that this kind of reconnaissance takes place constantly. Do these planes take off from the Palmerola air base?

[Vargas] I do not know the takeoff location. We do not handle that kind of information. We only know other information regarding reconnaissance planes. Perhaps the Armed Forces Press Committee can give you further details.

[Marquez] Have units been deployed from San Francisco Gotera to the crash site?

[Vargas] No. It was a very small, sophisticated aircraft. We have recovered everything it was carrying. We were in the area because we are protecting the traffic from San Francisco Gotera to San Miguel. We already had units on the road and in that area because we have the mission of providing security for transportation.

ROSA CHAVEZ EXPECTS RELEASE OF 13 MAYORS

PA251923 Paris AFP in Spanish 1810 GMT 25 Aug 85

[Text] San Salvador, 25 Aug 85 (AFP) -- Today San Salvador's Auxiliary Bishop Msgr Gregorio Rosas Chavez announced that the 13 Salvadoran mayors and 3 municipal officials held by the guerrillas since May will be released before 1 September.

In today's Sunday homily at the San Salvador Cathedral, the auxiliary bishop explained that relatives of the 13 mayors had visited them on 15 August in Perquin, Morazan Department, in the country's east, and that the guerrilla leaders had promised to release all the hostages if two conditions were met.

The first condition was to print a letter signed by the Christian Democratic mayors, and the second was the suspension of a demonstration organized by the ruling Christian Democratic Party to demand the release of the municipal officials scheduled for last Friday in the city of San Miguel.

"The two conditions have been met....Now the FMLN must make its move, said Rosa Chavez. [quotation marks as received]

The mayors were kidnapped in May, shortly after taking office in different villages in eastern El Salvador, which the FMLN rebels control.

The auxiliary bishop stressed that the church is still prepared to act as mediator between the government and the guerrillas in order to find a solution to the Salvadoran conflict, although he felt that a public squabble would not serve anything.

ABDUCTED MAYORS ADDRESS GOVERNMENT ON CAPTIVITY

PA232123 San Salvador EL MUNDO in Spanish 20 Aug 85 p 17

[Open letter from mayors held prisoner by the FMLN; no place or date given]

[Text] Given our present situation, we consider it of great importance to make a public statement to the nation, to note the following:

1. Our support for the public letter signed by Messrs Galileo Humberto Castillo, Matias Alfaro, Francisco Nelson Ayala, Eduardo Argueta, and Manuel de Jesus Aleman, mayors of the towns of Ereguayquin, Jucuaran, Tecapan, and San Dionisio Alegria of Usulutan Department.

2. The lack of concern shown by the government of Jose Napoleon Duarte regarding our prolonged captivity by the FMLN. It worries us even more that faced with the aforementioned letter from the mayors, the government's reaction was, far from helping, to try to benefit from the situation, without caring about us. This makes us doubt the honesty of the government and the Christian Democratic Party.

3. On 14 June, during the Armed Forces' operation in Morazan Department, the place where we were being held was bombed extensively. This makes us believe that they wanted to kill us because a few days before the operation, the FMLN freed Jose Cruz Nolasco, former mayor of San Luis de la Reina, who no doubt supplied the Armed Forces with information on our whereabouts. Without the responsible reaction of the FMLN fighters guarding our place of detention, it would have been impossible for us to escape unharmed from the bombing. The camp where we were held until that time was totally destroyed. It is clear that the intention was not to rescue us, but to kill us, as no Army troops ever arrived at the site -- only bombs from airplanes.

4. Duarte's government must understand that in a situation in which the Armed Forces have lost military control of 58 of the 82 municipalities in the eastern zone, it is very difficult for municipal governments to survive. The same situation exists in 26 municipalities in Chalatenango and in many in San Vicente, Cabanas, and Cuscatlan.

In a major portion of the eastern region, local military headquarters, Army or security posts, and judicial power structures no longer exist. Therefore, elections or the installation of municipal governments are not viable, because the minimum security required for the establishment of political and legal government structures does not exist.

The Armed Forces limit themselves to patrols or operations in some of those municipalities and in others their military presence is so sporadic that it is practically nonexistent. This opens the way for a duality of power, in which the FMLN at times has as much or more political and military power than the government. Proof of this is the ease with which the FMLN managed to capture us. If no more mayors have been abducted, it is because the others have abandoned their towns and settled in the department capitals.

5. When we accepted candidacy and took on our roles as mayors, we were not told that the municipal governments were part of the Armed Forces military plan through civil defense reorganization projects and other military civic action programs financed by the AID. This places the municipal governments in an even more belligerent position with respect to the FMLN, coverting them into instruments of confrontation with the guerrillas.

6. The Armed Forces, with the loss of military control in dozens of towns, have begun to consider and describe the inhabitants of these places as "FMLN masses." Thus, their military actions are increasingly indiscriminate, imperiling the security, lives, and property of innocent civilians while taking advantage of the fact that these are remote places where it would be difficult for anyone to find out about the actions of the Armed Forces.

This situation is even more serious north of the Torola River in Morazan Department, since the inhabitants there are seen by the Armed Forces as practically belonging to an enemy nation; consequently, they show these people no respect or consideration. Under these conditions, to take over the municipal government is to endorse this type of practice and risk facing the guerrillas' response to such actions.

7. We note that during our captivity, our physical and mental well-being has been respected. We have not been subjected to any type of pressure and have received humane and respectful treatment.

8. We call on the rank and file of political parties, especially the Christian Democratic Party, to reflect on the existence of two political and military powers in the zones where we live; therefore, the wisest and most prudent course is for us to proclaim our commitment to peace and to the search for a negotiated solution to the conflict, avoiding involvement in plans that make us belligerent parties.

9. We ask Jose Napoleon Duarte, president of the Republic, to consider our situation. We do not think it was proper for him to have used us for the electoral campaign, yet completely ignore us today, when we have been deprived of our freedom. We do not want our status as prisoners to be extended for another 2 years, as was the case of Colonel Castillo and other FMLN prisoners.

The FMLN demands as a precondition for our freedom that we be sent to appropriate courts, or that the government produce an official reply on the status of the following FMLN members, who were arrested by the security corps and are now missing: Yaneth Samour Hasbun, Commander Filomena, and the following FMLN rank-and-file members and collaborators: Maximina Reyes Villatoro, Edwin Rene Mejia, Gumercindo Cornejo Ramos, Carlos Portillo, Marina Guardado, Heriberto Orlellano Hernandez, and Olivia Ramos. The first two of these were captured on 30 December 1984 in the city of San Miguel, and the rest were captured along with Miguel Castellanos.

It should be borne in mind that the FMLN has publicly recognized our status as prisoners of war and consequently has respected our human rights. This is contrary to the case of these missing FMLN members, whom the Duarte government has been holding for several months as missing persons.

10. During our captivity, the FMLN has discussed with us many aspects of national life, which led to many of the ideas expressed in this letter. The letter was proposed by the FMLN and accepted voluntarily by all the signatories without any type of pressure. We request that the Duarte government allow this letter to be published without alteration and that it refrain from taking reprisals against us or our families. We make this request because we believe that the publication of this letter will result in pressure being brought against us and our families.

Francisco Israel Diaz, mayor of Lolotique; Ciriaco Hernandez, mayor of Yoloaiquin; Juan Francisco Garcia, mayor of Gualocopti; Lucio Rios Villatoro, mayor of Nueva Esparta; Antonio Hernandez Luna, mayor of San Simon; Santos Velazquez, mayor of San Luis de la Reina; Luis Adan Fuentes Umanzor, secretary of Poloros; and Antolin Nunez Canales, mayor of El Sauce.

ARMY SPOKESMEN CITE FMLN-FDR HIGHWAY 'VANDALISM'

PA250209 San Salvador LA PRENSA GRAFICA in Spanish 24 Aug 85 pp 4, 24

[Text] New acts of vandalism and terror have been carried out in recent subversive groups of the FMLN-FDR, Armed Forces spokesmen have reported. On the highways to Santa Ana, Atiquizaya, Sesuntepeque, Tejutla, Usulutan, Ilobasco, and other places the terrorists groups attacked buses, injuring at least 20 defenseless civilians, who were either townspeople or passengers.

The official reports say that yesterday FMLN-FDR extremists machine-gunned a bus, truck, and pickup truck in Delicias de Concepcion Canton, San Juan Nonualco jurisdiction, La Paz Department. According to the report, several passengers were wounded, although no figures were given. They were all taken to hospitals in this capital and Zacatecoluca.

As the subversives were preparing to set the vehicles on fire, a military patrol arrived and the rebels immediately opened fire and fled in order to halt the Army.

We were also told that the FMLN-FDR extremists blew up two power pylons in the same area where they had set up the blockades to attack transportation facilities. The abovementioned area has been left without power, but work crews of the Lempa River Hydroelectric Executive Commission, CEL, will restore that service.

Yesterday morning, a Cherokee station wagon was attacked and turned over near Tejutla, Chalatenango Department, but no information has been given on the passengers. The extremists had established a blockade there to attack vehicles, but they fled when a military patrol arrived on the scene.

Government spokesmen commented yesterday that the FMLN-FDR terrorist groups have partially paralyzed traffic in some sectors of the country, but they have done this against the will of the people and with death threats -- without any international organization or the church protesting. The traffic stoppages that the FMLN-FDR stages periodically are violations of the most basic human rights. However, none of the countries that condemn the Salvadoran Government's policy has mentioned this criminal activity of the terrorists, the official source added.

Armed Forces spokesman have denied reports by a clandestine radio station to the effect that they have inflicted 163 casualties on the Army in 4 days. The same spokesmen added that the Armed Forces' professionalism does not allow them to waste time denying every lie of the FMLN-FDR. "Radio Lies" was born lying, is lying, and will continue to lie, until it reaches its end, the military spokesman commented.

'SPY PLANE' INDICATES U.S. INVOLVEMENT IN WAR

PA240211 (Clandestine) Radio Venceremos in Spanish to El Salvador 0040 GMT 24 Aug 85

[Text] Attention, attention: We now have a report on the U.S. airplane that crashed in Morazon Department. Attention: At 0635 today, Friday, a U.S. Air Force spy airplane of the drone type, which is guided by remote control, crashed at Hacienda Santa Barbara, San Carlos jurisdiction, here in Morazan Department. The U.S. spy plane had come from the U.S. Southern Command in Panama and was engaged in espionage activities over Morazan Department.

A U.S. spy plane has crashed here in Morazon Department. The presence of U.S. Air Force spy planes indicates the Reagan administration's degree of involvement in the war against the Salvadoran people. The puppet Army has lost its national capacity to stop the FMLN. This explains the increasingly numerous presence of U.S. spy planes over territories under our control and the presence of military helicopters from U.S. airports in Honduras. The puppet Army's critical situation explains the increasing involvement of U.S. Army members and airplanes in the Salvadoran war.

More than eight U.S. colonels direct operations and issue the strategic guidelines for the dictatorship. U.S. airplanes and CIA agents are carrying out intelligence activities for the puppet Army. We are at war against the gringos! We are directly clashing with U.S. imperialism's means and men! It is too bad that there were no U.S. pilots in the airplane that crashed today, Friday, in Morazan. The gringos want a war without a war. They want to wage the war, spy over Morazan and Chalatenango, and directly participate in airborne operations. When they fall under the revolutionary yoke, like the U.S. advisers in San Salvador, they raise an outcry and issue threats. We hereby tell them that as long as they continue to send airplanes and gringos to our homeland, our people will continue to aim their weapons against the U.S. troops, advisers, and commanders who wage the war against our homeland in the legitimate defense of our sovereignty and national independence!

FMLN ISSUES COMMUNIQUE ON 'CAPTURED' MAYORS

PA260107 (Clandestine) Radio Venceremos in Spanish to El Salvador 0008 GMT 26 Aug 85

[Communique issued by the FMLN on 25 August in El Salvador]

[Text] In relation to the situation of the mayors captured by our forces, the FMLN makes the following clarifications:

1. The captured mayors are being held prisoner for having violated norms established by our front, such as our banning functions of local powers in areas under our control or under dispute. Therefore they are not kidnapped, but captured, and are subject to revolutionary norms and dispositions existing in areas of dual power.

2. As prisoners, they have rights. They have been visited by the International Red Cross and even by their relatives.

3. The church, particularly Msgr Rosas Chavez, is not participating in this case, as it has refused to make any efforts on behalf of Commander Yaneth Hamour, Carlos Portillo, or Maximina Reyes, who were captured by the government of Napoleon Duarte and are still missing. Therefore, anything said about the case of the captured mayors by spokesmen of the church, particularly by Msgr Rosas Chavez, is mere speculation or distorted information, and has no official value.

4. We urge the relatives of the captured mayors not to be surprised or allow themselves to be used by third parties who have not shown any interest in resolving the situation of their relatives, but are only using the case for their own political convenience. This would make any possibility of a solution more difficult.

[Signed] FMLN; El Salvador, 25 August 1985

FMLN RADIO REPORTS ON TRANSPORTATION STOPPAGE

Claims 173 Casualties

PA230357 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Aug 85

[Text] Attention, attention: Radio Venceremos will provide the total number of casualties inflicted on the dictatorship during 4 days of a national transportation paralyzation, which was most costly for the puppet Army. During 4 days we inflicted the following casualties: Francisco Sanchez eastern front, 43 casualties; Modesto Ramirez central front, 120 casualties; Anastasio Aquino paracentral front, 10 casualties. During 4 days of clashes we inflicted 173 casualties on the dictatorship; 173 casualties -- 1, 7, 3 -- 173 casualties in 4 days of clashes. The FMLN and its guerrilla units are carrying out the guidelines established by our general command in their June meeting. The people's war has been brought to the capital and the highways throughout our national territory.

Now we want to see General [Onecifero] Blandon give another news conference. We want to see the next news conference held by gorilla Blandon. We want to see him use his little lists of figures and his little colored maps. We want to hear the members of the U.S. Defense Department, who dared to say that the FMLN was more divided than ever, issue another ridiculous statement. If we are divided it is because we are at Volcan San Salvador, the Northern Highway, the Coastal Highway, the Pan-American Highway, and the military route; because we are south of Santa Ana, sabotaging the electricity system; in Guazapa, wearing out the enemy troops; we are in Morazan and Chalatenango, in Jucuaran and Tres Calles, in San Miguel and La Union, in Cuscatlan, and throughout the national territory. Cabanas is not far behind with its ambushes. That is how we are divided: divided to fully carry out the four strategic guidelines issued from our general command's last meeting. Today more than ever we can assert: We are advancing, to take over power!

Stoppage Ends 25 August

PA250243 (Clandestine) Radio Venceremos in Spanish to El Salvador 0043 GMT 25 Aug 85

[Text] The national transportation strike is over. Attention: Radio Venceremos hereby announces to our people that the national transportation strike will be ending early Sunday morning. All highways throughout the country will again be opened as of Sunday morning.

Our strike was successful for 6 days, and has become one of the strongest blows dealt against the unstable war economy of Duarte. The dictatorship has lost millions of dollars it will not be able to use for maintaining its criminal battalions, its bombs, and everything else it uses to murder our people.

We repeat: The national transportation strike will end as of Sunday, 25 August.

GUATEMALA

GOVERNMENT SUPPORTS DIALOGUE, REJECTS VIOLENCE

PA240332 Guatemala City Cadena de Emisoras Unidas in Spanish 2350 GMT 23 Aug 85

[Text] The government has said that there should be no speculation concerning the disintegration of the national dialogue. During a news conference convoked by the head of state's public relations secretary today, the government announced that no one should speculate concerning the disintegration of the national dialogue because all the parties involved have confirmed that they will participate in the corresponding meetings. Those sectors directly linked to the current economic situation in the country maintain direct communication and participation -- through making proposals and adopting decisions -- in the national dialogue, the official added.

Celada Corrillo also said that solutions to the current Guatemalan crisis have been and will continue to be achieved through the national dialogue. However, these solutions must be reviewed and analyzed in depth in order to avoid hasty actions which, instead of solving anything, only tend to worsen the situation.

There is no estrangement between the government and the private sector of the country, particularly the labor unions which support thousands of Guatemalan workers, said the head of state's public relations secretary. All are working together to handle the demands and emergencies and to find practical solutions that benefit the people, the official spokesman added.

The government is trying to achieve a national reconciliation. General Mejia Victores' government is not likely to change its policies concerning a national reconciliation, which are quite specific concerning the use of violence and hasty measures. This was asserted in the news conference by government spokesman Roman Celada Carrillo when commenting on proposals, suggestions, and statements from various national sectors, including political groups. The use of violence is not the road that should be chosen because we have the alternative of a dialogue supported by General Mejia Victores' policy of not taking forcible or violent measures, the head of state's spokesman added.

NICARAGUA

ORTEGA VIEWS U.S. ECONOMIC PRESSURE, COSEP

PA250406 Managua Domestic Service in Spanish 1829 GMT 24 Aug 85

[Statement by President Daniel Ortega during "Face the People" program; place not given -- live; broadcast in progress]

[Excerpts] ...workers from the Jose Salinas slaughterhouse in Rivas presented to us the following problem: It has been announced that some of the 70 workers working there will be dismissed in a few days. These are only maintenance workers, because the slaughterhouse has been closed for some time.

It has been decided to close the slaughterhouse for an indefinite period, until the number of cattle to be slaughtered there justifies its operating again. This is due to the cost of keeping this slaughterhouse in operation.

We have tried to rationalize the use of resources in this country, both material and human. We started this effort in July 1979, continued it in 1980, and were beginning to order things along these lines when a new U.S. Administration assumed office and declared war on us. A new factor then appeared; namely, the aggression by a foreign power, the United States, against a country called Nicaragua. The United States and a few of its accomplices in this country, including the members of the Higher Council of Private Enterprise [COSEP], do not want production to take place in this country. They want to topple the economy. What are the COSEP members able to repeat to us every day through their CIA-financed information media, thanks to this country's political pluralism and freedom of the press? They say that the revolution is a failure, that the economic policy of the Sandinist revolution is a failure because this is a totalitarian and mistaken policy. This policy, they say, grants workers so much participation and liberty that no one works in this country. They have also said that this shows that workers cannot assume the overall responsibility for production and that these workers require a millionaire employer in order to produce well. This is the idea that these people defend. There was efficiency here in Nicaragua before, they say, and exports and production were very good because it was the millionaires who directed the economy in this country. They knew how to contract, direct, and make workers work. This is why, they maintain, it is necessary to return to the past.

I don't know what you think about these proposals by COSEP. I don't know if you would agree to return to the exploitation of the past. I don't know if you agree that to produce efficiently, you need the type of administration that existed in the past instead of an administration that discusses matters and participates in activities with you and is willing to accept criticism.

We are sure that all the arguments presented by COSEP and those who long to return to the past -- such as the times of Somoza -- do not stand a chance of being accepted by Nicaraguan workers. This is but an instrument of political struggle used by the enemies of this revolution to try to create the domestic political conditions that will facilitate U.S. terrorist actions against Nicaragua and Yankee intervention in our country. We are reaching our limit.

In the CIA-financed newspaper, one of the owners -- a lady -- has published a letter. I am sure she did not draft this letter. Someone else wrote it for her. Surely, she has not even realized the nature of what she has signed. The letter was addressed to Baena Soares, OAS secretary general. In it, she argues that she was a member of the junta of the government, that she had to withdraw from the junta because she felt the original plan had been distorted. She said she disagreed with this and that this is why she withdrew from the junta of the government. In conclusion, she said that if Latin American countries do not do something to make Nicaragua fulfill its pledges to the OAS, then someone will fill this gap and there will not be any regrets. In other words, she is trying to create conditions so the United States can say -- if it makes up its mind to intervene directly in Nicaragua with its troops -- that there are important citizens in Nicaragua, like this lady, who agree with the Yankee intervention in Nicaragua.

I think this lady disagrees with the Yankee intervention in Nicaragua, but someone else wrote a letter and presented it to her for her to sign. She was not aware of what she was signing. In this way, she has provided ammunition for the Yankee interventionist policy because it was the U.S. Government's press agents who first disseminated this letter widely. This has a bearing on the action taken by COSEP, seeking to foster the economic boycott of this country.

The war has provoked supply problems in Nicaragua. In addition, the economic crisis that affects all Latin American countries aggravates the Nicaraguan situation even more. So, we have to deal with a war and an economic crisis. Even without the war, we would still have an economic crisis. Of course, we would confront this economic crisis without a war. If we did not have a war, the people would not suffer as much as they are now suffering. But the United States is waging an economic, political, and military war against us. This is to be added to the economic crisis. We experience problems of supplies for the people. These problems strain the food supplies and even cause people to participate in the illegal slaughter of animals. We also see the need for money to buy food on the part of the people. The money we need can only be gotten through our exports of meat, coffee, seafood, and beef, which is one of the country's main export products. In short, we must export what we still can, no matter how small the amount. But, if we export meat, the people will pressure us. When we visited the Ifagan [expansion unknown] we learned of many meat cuts that could be exported without problems.

This is a problem we must resolve politically, as well as administratively, through the organization and the rational use of our resources. We would rather be left with two or four slaughterhouses that always operate efficiently with sufficient human and technical resources than have eight slaughterhouses operating inefficiently and with limited human resources.

All Latin American countries, without exception, are now suffering an economic crisis, but they are not suffering a war like Nicaragua is. How do some Latin American countries solve these economic problems? How would the Somozists and COSEP solve these problems? They would solve these problems by blowing the heads off the workers. Rest assured, in a critical situation like the one in Nicaragua, the Somozists and COSEP, even if they had all the support from the United States, would surely have taken violent measures -- the crisis is a reality -- without considering the will of the people and workers. They would have sacrificed the workers and the people, without any explanation, without asking the people for their opinion.

When in the past did the Somozist and COSEP millionaires ask the workers for their opinions on a specific measure, on ordering dismissals of workers, or on closing an enterprise? When? They would never have done that. This is why they said they would be more efficient in directing the country's economy. In this way, the economy would produce sufficient money for four millionaires, but the people's situation would have been hopeless. This is the reality. How many enterprises close in Latin America every day? Hundreds of enterprises have closed down in Latin America in the past few years -- hundreds of enterprises. When this has happened, the enterprise has simply been closed down without any explanation for the workers. At most, they are presented with some compensation, such as for accrued annual leave. But that is all. They then tell the workers that some additional compensation will be given to them later. This is how some Latin American countries confront their crises. This is the formula that COSEP suggests for Nicaragua. Of course, the revolution will never apply this formula. Such a formula is recommended by the IMF. This formula will never be accepted or recommended by the revolution.

What do we have to do in view of this problem? In the first place, we must make an effort to explain the country's economic reality to the Nicaraguan people as well as we can. This contact between enterprise leaders and workers is important so that the enterprise's economic reality gets through to the workers. A suitable explanation should be given as to why the enterprise does not operate properly.

As Companero Sergio [not further identified] said, this is an administrative problem. It is to be considered whether the problem is due to lack of money for spare parts, lack of raw-materials, workers' fault, plant maintenance, and so forth. The problems are to be examined and efforts made to overcome these problems. So we must make a great effort for the people's sake because the people understand the economy perfectly. They don't need advanced economic studies to understand the economy because the people live the economy. People easily understand when problems are explained to them, when they are given a chance to ask, to criticize, and to participate. By understanding the people and the workers, we will be able to apply all these measures more clearly and efficiently.

ARMY BEGINS 'SECOND PHASE' OF COUNTERINSURGENCY

PA240347 Panama City ACAN in Spanish 0257 GMT 24 Aug 85

[Text] Managua, 23 Aug (ACAN-EFE) -- Troops of the Nicaraguan Army began a second phase of massive attacks against approximately 4,400 anti-Sandinists mobilized mainly in the country's north-central region, military sources stated here today.

The rebels intend to resume attacks in urban areas of the northern Esteli Department, integrate into their forces the fighters of the Democratic Revolutionary Alliance (ARDE) who stayed in Nicaragua and are facing difficult conditions, and penetrate the Atlantic mining region, the sources reported.

In this second phase of operations against the guerrillas of the Nicaraguan Democratic Force (FDN), the Army will receive the support of companies of the permanent territorial militias, new reserve batallions, and more youths who will be recruited into the compulsory military service, the source explained.

Analysts for the Sandinist People's Army (EPS) estimate that "difficult" times are in store for the counterrevolutionaries, as they have suffered numerous defeats this year. It is estimated that more than 2,500 rebels have died on the battlefields so far this year. The military sources provided no information on the casualties sustained by the Sandinist soldiers "because it is not the Army's policy to provide such information."

The EPS analysts have great faith in the "fundamental support" the Army will receive from the permanent territorial militia companies, which are new units trained in the same centers where the Batallions for Unconventional Warfare (BLI) receive instruction. These companies are made up of fighters who are natives of the regions where they will fight. They will not fight in other areas of the country. The units will be permanent as long as this is necessary, the sources told newsmen.

The Army High Command recently reinforced with new brigades large stretches of the 870-km border Nicaragua shares with Honduras to prevent new troop infiltrations from that neighboring country.

At the same time and for the remainder of the year, thousands of soldiers will be engaged in various operations aimed at fighting the rebel forces that operate deep inside Nicaraguan territory, the sources said.

Army analysts estimate that the counterrevolutionaries possess a force of between 2,500 and 3,000 men.

"We do not see how the contras will be able to double the number of their troops to 5,000 or 6,000 as FDN leaders have claimed, because desertions are more numerous each day," they pointed out.

However, it is possible that the anti-Sandinists are planning to stage mass abductions to recruit more people into the counterrevolution, the military sources said. They indicated that each rebel regional command currently has units specialized in staging abductions.

The sources warned the counterrevolution of the more active role that the Sandinist Air Force will play in battles.

They recalled that last June the Army's Soviet combat aircraft entered the action in southern Nicaragua to recover the bases under ARDE's control.

They added that later in July and in August, Soviet MI-24 helicopters entered into action in parts of Esteli Department.

CONTRAS TAKE ADVANTAGE OF GOVERNMENT AMNESTY

PA231520 Managua Radio Sandino in Spanish 1200 GMT 23 Aug 85

[Text] Since the beginning of the year 90 counterrevolutionaries in Matagalpa Department have taken advantage of the amnesty decreed by the Nicaraguan Government. Hundreds of peasants in Matagalpa Department have also defected from the ranks of the Nicaraguan Democratic Force, FDN, and returned to their communities. These peasants have urged their friends and acquaintances to abandon the ranks of the FDN and accept the conditions offered by the Sandinist authorities to all who take advantage of the amnesty.

COURT REJECTS EXTRADITION OF ITALIAN CITIZEN

PA242112 Paris AFP in Spanish 1648 GMT 24 Aug 85

[Text] Managua, 24 Aug (AFP) -- The Supreme Court of Justice of Nicaragua has rejected the extradition of Italian citizen William Libero Prevato, age 23, who is charged by the Rome government with being involved in terrorist organizations.

The extradition request was rejected by the Nicaraguan authorities because the charges raised against the Italian are of a political nature.

Likewise, court sources pointed out that there is no extradition treaty between Italy and Nicaragua.

According to the Italian Government, Libero Prevato was part of a politico-military organization called "Organized Communist Movement," which was planning to destabilize the Italian Government.

The Nicaraguan law establishes that an extradition will not be granted when it is a matter of "political crimes."

It was not reported whether Libero Prevato, who has been in jail in Nicaragua for 18 months, will be released shortly.

The young Italian was accused of murdering a fellow countryman, Ettore Cesa Bianchi, 2 years ago, but he was acquitted last April by the jury after a well-publicized trial.

CONSTITUTIONAL COMMISSION TO TOUR AREA COUNTRIES

PA240250 Managua Radio Sandino in Spanish 0000 GMT 24 Aug 85

[Text] A delegation of the special constitutional commission headed by Humberto Solis Barker, Sandinist deputy to the National Assembly, will leave tomorrow for several Latin American countries, Mexico, and Cuba.

The fundamental purpose of this working tour is to learn about the constitutional experiences of the countries visited, namely Argentina, Peru, Colombia, Venezuela, Panama, Mexico, and Cuba. Other members of the delegation are Eduardo Molina Palacios of the Democratic Conservative Party, Alfredo Rodriguez Alguera of the Popular Social Christian Party, Carlos Lucas of the Marxist-Leninist People's Action Movement, and legal adviser Josefina Ramos.

UNO TO DISTRIBUTE $27 MILLION IN U.S. AID

PA251856 Paris AFP in Spanish 1718 GMT 25 Aug 85

[Text] San Jose, 25 Aug (AFP) -- Arturo Cruz, one of the three leaders of the anti-Sandinist Nicaraguan Opposition Unity (UNO), has announced in San Jose that this coalition will distribute the $27 million that the U.S. Congress approved to finance the groups opposing the Nicaraguan regime.

Cruz added that funds donated by private sources will also be funneled through UNO, which is also headed by Adolfo Calero of the Nicaraguan Democratic Force (FDN), the largest military anti-Sandinist force, and by Alfonso Robelo, who heads a faction of the Democratic Revolutionary Alliance (ARDE).

However, in a statement to the Costa Rican newspaper LA NACION, the Nicaraguan politician said that "we have not started receiving the money," but that the discussion on the availability of the resources and on the terms of distribution has already started.

Cruz stated that "we will respect the framework under which the law was approved."

According to the law the U.S. Congress approved on 2 August, the U.S. Government determined that such aid would be for "nonlethal" purposes, that is, to purchase medicines, clothing, food, and so forth, but not weapons.

BRIEFS

DANISH DONATION -- The Danish Agency for International Development, Danida, and the Nicaraguan Foreign Cooperation Ministry this morning concluded an agreement whereby Danida will donate 15 million kroner to foster Nicaragua's food self-sufficiency program. A Danida representative and Jose Angel Buitrago, deputy minister for foreign cooperation, signed the agreement. The delivery of irrigation equipment has been contemplated in the project. [Summary] [Managua Radio Sandino in Spanish 0000 GMT 24 Aug 85 PA]

FOREIGN MINISTER MALMIERCA BEGINS ZIMBABWE VISIT

Troops in Angola to Stay

FL240106 Havana Domestic Service in Spanish 2300 GMT 23 Aug 85

[Text] Cuban Foreign Minister Isidoro Malmierca, who is visiting Zimbabwe, has declared that South Africa is responsible for the instability of southern Africa because of its continuous attacks against neighboring countries, especially Angola.

In a press conference he held upon his arrival in Harare, the capital of Zimbabwe, Malmierca said that Cuban military forces will remain in Angola for as long as South African aggression continues. The Cuban foreign minister will stay 3 days in Zimbabwe on an official visit and will meet with Prime Minister Robert Mugabe.

Meets With Mugabe

FL241149 Havana Domestic Service in Spanish 1100 GMT 24 Aug 85

[Text] Zimbabwean Prime Minister Robert Mugabe has met with Cuban Foreign Minister Isidoro Malmierca, who conveyed a message from President Fidel Castro. Malmierca is paying a 3-day official visit in Zimbabwe, where he already met with his counterpart Witness Mangwende.

ANGOLAN HEALTH MINISTER PRAISES MEDICAL AID

FL231236 Havana Domestic Service in Spanish 1100 GMT 23 Aug 85

[Text] Angolan Health Minister Dr Antonio Jose Ferreira Neto Arnesto said it would have been very difficult for his country to carry out their public health program without Cuba's quantitative and qualitative cooperation. Minister Ferreira Neto said currently there are 400 Cuban professionals and technicians supporting the Angolan policy of public health and the formation of its squadrons.

RISQUET MEETS ETHIOPIA'S MENGISTU HAILE MARIAM

FL231204 Havana Domestic Service in Spanish 1100 GMT 23 Aug 85

[Text] Mengistu Haile Mariam, secretary general of the Workers' Party of Ethiopia and chairman of the Provisonal Military Administrative Council, has had discussions in Addis Ababa with Jorge Risquet Valdes, Politburo member of the Communist Party of Cuba. The meeting took place in an atmosphere of cordiality and camaraderie which confirms the close friendship between Cuba and Ethiopia.

RAMON CASTRO AWARDED GOLD MEDAL AT SOVIET SHOW

FL240116 Havana Television Service in Spanish 0000 GMT 24 Aug 85

[Text] The gold medal of the show, National Achievements of the USSR Economy, has been awarded to Cuban national labor hero Ramon Castro Ruz, director general of Cuba's Valles de Picadura Genetic Enterprise, for his great contribution to the development of cooperation between Cuba and the USSR.

PRISONERS IN U.S. JAILS ASK TO RETURN TO CUBA

FL231256 Havana Domestic Service in Spanish 1100 GMT 23 Aug 85

[Text] Some 70 prisoners of Cuban origin have rioted in a U.S. prison in Florence, Arizona where they broke windows, furniture, and pipes. They set fire to their beds yelling that they want to be free and return to Cuba. A U.S. Immigration Service spokesman said the prisoners who rioted abandoned their country in 1980 and were punished for crimes committed in the United States.

U.S. ACCUSATION DISCOUNTED ON USSR'S 'SPY DUST'

FL230246 Havana Television Service in Spanish 0000 GMT 23 Aug 85

[Station commentary]

[Text] The new calumny against the USSR begotten at the center of U.S. power has been categorically denied today by the USSR. The embassy in Washington of that brother country has sent the State Department a note in which it describes the act as ill-timed and unacceptable, and holds the U.S. Administration responsible for the consequences of that type of action. And rightly so!

The U.S. State Department said publicly that the USSR uses harmful chemical substances to spy on U.S. diplomats accredited to Moscow. These lies that have been told at a time when the agenda of the meeting this November of Mikhail Gorbachev and Ronald Reagan is being prepared are not precisely the best atmosphere to achieve positive results in future Soviet-U.S. relations.

The imperialists have spent millions of dollars to present a false image of the USSR to the world but not even that amount can erase from the consciousness of progressive humanity the USSR's contribution to peace. Fascism was defeated 40 years ago, and right now the USSR is strictly observing a unilateral moratorium on the deployment of missiles in Europe and nuclear testing. These two initiatives have not been seconded by the White House. Far from it! The Yankee government now dedicates itself to accusing the USSR of spying by using harmful chemical substances!

Scientific sources from the U.S. capital itself have denied that the substance in question is applicable to this type of activity. Even the Western press agencies are saying timidly that it has not been proven that nitro phenyl pentadien has harmful effects. Faced with this evidence, one can ask how far the U.S. Administration intends to carry its aggressive policy. It would be nice if just once they would realize that, despite their power, they do not exercise absolute power over the destiny of their people and much less over that of the rest of humanity.

U.S. SEEKS MILITARY SUPREMACY THROUGH SPACE ARMS

PA230437 Havana International Service in Spanish 0000 GMT 23 Aug 85

[Station commentary: "The United States Tries To Militarize Space Through Its So-Called Strategic Defense Initiative"]

[Text] Currently neither the Soviet Union nor the United States possesses weapons in space, although Washington tries at all costs to make nations believe that the Soviets have developed a military space system that constitutes a potential danger for the world.

Along these lines, the United States speaks of the existence of alleged killer satellites and other fabrications that only exist in the minds of Pentagon leaders and U.S. ruling circles. The truth is that the satellites the two sides possess -- whether they are for communication, navigation, or even military purposes -- do not represent the slightest danger for mankind, but help keep a strategic balance because they prevent both adversaries from dealing a surprise nuclear blow that would cripple the enemy, and they prevent a retaliatory action.

The setting up of a space weapons system that consists of placing in space means of attack to destroy targets in space or surface targets from space is quite a different thing. This would indeed entail the militarization of space. This is precisely what the United States seeks to achieve through its so-called Strategic Defense Initiative. This initiative is nothing but an offensive system conceived so that the United States can achieve absolute military supremacy. Once a space weapon is orbited around the earth it could threaten the safety of any state, since it could destroy targets in space, the atmosphere, and on the earth's surface. This weapon's greatest danger lies in its sophisticated ability to be automatically (?fired) without man's intervention.

President Ronald Reagan and his assistants say over and over that the so-called Strategic Defense Initiative is a system that can guarantee the safety of the United States and the other countries in the Western Hemisphere. This statement is completely false. The world's most prestigious scientists agree that in a nuclear war there are no safe defensive means because it is impossible to create them in practice. Even if the White House and the Pentagon continue their plans to militarize space, U.S. security will not be enhanced and the United States will not achieve military hegemony. Naturally, the Soviet Union will have no choice but to answer with adequate means in order to maintain the balance of forces. Inevitably, a new and more dangerous escalation of the nuclear arms race then take place.

For this reason, space weapons would not enhance international security. Quite the contrary, the deployment of such weapons would increase the danger of a nuclear war. Due to their automatic operation and the fact that they would significantly increase the number of space weapons, the probability of a conflict leading to a world catastrophe as a result of a mistake or technical malfunction would be greater.

In order to avoid the probability of such a catastrophe, the Soviet Union has proposed to the United States an agreement banning the research, testing, production, and deployment of space weapons. The realization of the U.S. (?power), which Reagan describes as star wars, would inevitably lead to the apparition of toxic weapons. [Words indistinct] a threat of extinction would hover over mankind as it has never existed before. [Words indistinct] Man's survival on earth depends on this.

U.S. EMBASSY OFFICIAL COMMENTS ON CRASHED DRONE PLANE

PA251759 Havana International Service in Spanish 1600 GMT 24 Aug 85

[Text] Radio Venceremos, organ of the FMLN of El Salvador, has reported that the regime's Air Force bombed the town of Jutiapa, in Cabanas Department, for several hours. So far there is no report on the number of casualties among the civilian population.

It has also been reported that the U.S. Embassy in Honduras has admitted that the reconnaissance plane that crashed in the eastern region of El Salvador was being controlled by a U.S. base in Honduran territory. A spokesman for the embassy said that the plane was on one of its regular flights over Salvadoran territory. These flights are directed by remote control from the San Lorenzo Military Airport where the United States has an important base.

The sophisticated drone plane on an espionage mission to secure intelligence data on the guerrilla forces operation in El Salvador's eastern region, where the patriots are always active, and then to pass this information on to the Army.

Meanwhile, it has been reported that the Salvadoran Government has announced the opening -- for the third time -- of investigations into the murder of Msgr Oscar Arnulfo Romero, who in 1980 was shot to death by ultrarightist elements linked to the military hierarchy. The reopening of the case, something that the regime points to as an example of how much human rights are respected in El Salvador, has been received with much skepticism by many Salvadorans since it is believed that the tyranny is not too interested in finding the killers.

CONTADORA GROUP, SUPPORTERS MEET IN CARTAGENA

PA251801 Havana International Service in Spanish 1800 GMT 24 Aug 85

[Text] Colombian President Belisario Betancur opened this Saturday in the Colombian city of Cartagena de Indias a meeting between the foreign ministers of the Contadora Group and those of the recently created Latin American Support Group composed of Argentina, Brazil, Peru, and Uruguay. The Colombian president, on behalf of Contadora, thanked the four countries listed here for their support in the search for a peaceful solution to the Central American conflict.

Although the meeting is taking place behind closed doors, it has been reported that the eight foreign ministers attending the Cartagena meeting have stated their firm decision to resolve the Central American crisis in a completely Latin American framework.

They also stated they are in favor of sending a group of civilian observers to the Costa Rican-Nicaraguan border. They said that this group could be composed of representatives of European nations and Canada, whose role was pointed out in the preparation of the Act for Cooperation and Peace in Central America. The eight foreign ministers agreed in stating that the crisis in Central America can be resolved only if the governments of that area have the political will to resolve it.

The Cartagena meeting will conclude tomorrow. It is taking place at a moment when the United States is increasing its aggression in Nicaragua.

NONALIGNED MOVEMENT TO REAFFIRM INDEPENDENCE

PA250350 Havana International Service in Spanish 0000 GMT 25 Aug 85

[Text] The draft resolution for the next Nonaligned Movement ministerial meeting -- scheduled to take place from 2-7 September in Luanda, Angola's capital -- reaffirms the organization's independent and active policy and its struggle for international detente.

On the subject of nonalignment, the document advocates the reduction, nonproliferation, and elimination of military blocs and foreign military bases on other states's territories, with the aim of preserving international peace and security on the basis of a general and complete disarmament.

The document stresses that the policy of nonalignment is characterized by its anti-imperialist, anti-neocolonialist, and anti-apartheid stance, and its struggle against racism, Zionism, and all forms of foreign aggression, occupation, intervention, and hegemony. Among other things, the date and place for the 8th summit of the Nonaligned Movement will be decided at the ministerial meeting in Luanda.

RIVALRIES, CONFLICTS INCREASE IN GRENADA

PA231235 Havana International Service in Spanish 2310 GMT 22 Aug 85

["Our America" commentary]

[Text] The discrepancies within the tripartite coalition ruling in Grenada, the New National Party, have caused the suspension of the first congress of that political organization which was slated for late last month. The alliance, formed in June 1984 with the support of the United States, includes the Grenada National Party of Prime Minister Herbert Blaize, the National Democratic Party of George Brizan, and the Grenada Democratic Movement of Francis Alexis.

Caribbean observers forecast a short life for the political harmony among these three self-styled centrist organizations which obtained 14 out of the 15 seats of the St Georges parliament in the elections held last December under foreign military occupation.

Conflicts quickly arose, and only 8 months after taking over power, the disagreements became public knowledge. The postponement of the first congress of the ruling party and the sudden announcement that the Grenada prime minister will visit Washington on alleged political commitments in an indication that the internal struggles are worsening in Grenada. Both Herbert Blaize and Foreign Minister Ben Jones, old school politicians who are loyal to the orientation of U.S. imperialism, have aligned themselves against the group of the younger party leaders -- George Brizan and Francis Alexis -- who recently voiced opposition to their appointments in the Labor and Agriculture ministries, respectively.

The Grenada prime minister imposed his conditions from the beginning when he granted Jones the Foreign Ministry and the tacit function of deputy prime minister of the country, which is not contemplated in the country's political Constitution. In recent weeks, the regional press has reported increasing charges against the government of Herbert Blaize. The only opposition legislator, (Marcel Petras), publicly accused the prime minister of ignoring Parliament and making decisions which concerned legislation at the cabinet level, which openly violates the Constitution.

The lack of internal security at the top level of the Grenada Government worsens in the face of the forthcoming withdrawal of the U.S. and Caribbean occupation forces from the island.

Following the criminal Yankee invasion of Grenada which concluded with the imposition of a puppet regime in that country with a toll of tens of murders and the destruction of many economic sources created by the democratic government of many economic sources created by the democratic government of the late Grenada Prime Minister Maurice Bishop, the Yankee soldiers return once again with their puppet forces to their bases, something which the democratic nations of the hemisphere reject.

This situation worries Prime Minister Blaize, as he forecasts serious problems which he will have to face once his military protectors -- who took him to power -- have disappeared from the island. Government spokesman recently warned that drastic reprisals will be taken against the leftists in Grenada, represented by the Maurice Bishop Patriotic Movement if it tries to reorganize itself. Such a threat was also made against former dictator Eric Gairy, who is promoting civil disobedience among the peasants.

In spite of the hundreds of U.S.-trained paramilitary units now in Grenada, internal peace in the island is hanging by a thing threat, aggravated by the socioeconomic crisis which has still not been solved and the political rivalries of the government coalition.

FIDEL CASTRO, OTHERS NOTE FMC ANNIVERSARY

Fidel's Congratulatory Message

FL231822 Havana Domestic Service in Spanish 1700 GMT 23 Aug 85

[Text] Since its founding, the Federation of Cuban Women [FMC] has been a front-runner in revolutionary activities, firmly and creatively fulfilling each assigned task. Its unceasing work has efficiently contributed to the application of the revolution's ideals on women's equality and has channeled women's ardent participation on every front.

This characterization was included in Commander in Chief Fidel Castro's message to the FMC on the occasion of its 25th anniversary in which he underscores that it represents a fundamental force of the revolution in the building of a socialist society. Fidel's message continues saying: Throughout this quarter of a century, each task performed by the FMC has contributed to ideological development, elevation of cultural and political levels, training of hundreds of thousands of women to assume new and necessary responsibilities. In his message Fidel highlights, among other tasks, the FMC's effort to contribute to the shaping of new generations, its contribution in health matters, and its outstanding efforts in international issues by defending revolutionary aspirations of every country and defending our party's principles.

Fidel added that the FMC has been exemplary in its combative presence in the fatherland's defense tasks, where women are a decisive and indestructible bastion. The responsibility and enthusiasm the FMC has devoted to revolutionary activities during these 25 years have made it deserving of respect, acknowledgement, and affection of our people and our party, Fidel said. Our party is proud of the heroic Cuban women, of their role in the fatherland's present and future, adds Fidel's message to the FMC on the occasion of its 25th anniversary and end congratulating all its members on this day.

FAR General's Letter

FL230154 Havana Domestic Service in Spanish 2130 GMT 22 Aug 85

[Text] Division General Raul Menendez Tomassevich, member of the party Central Committee, FAR vice minister, and chief of the Independent Army Corps of the Territorial Troops Militia of Havana City Province, has sent a congratulatory letter to the members of this corps on the occasion of the 25th anniversary of the founding of the FMC. The letter says: In these difficult but beautiful years, Cuban women have been in the vanguard of the revolutionary process, as mothers, spouses, workers, and internationalists.

Special Stamp Marks Founding

FL1240135 Havana Television Service in Spanish 0000 GMT 24 Aug 85

[Text] Jose Ramon Machado Ventura, member of the party Politburo, Vilma Espin, alternate member of the Politburo and president of the Federation of Cuban Women [FMC], and Dora Carcano, Central Committee member and secretary general of the FMC, participated today in the special cancellation of the stamp commemorating the 25th anniversary of the founding of the FMC. With this cancellation, the Ministry of Communications joins the homage that the entire Cuban people are rendering to the members of the FMC. The stamp, sold for 5 cents, is dedicated to Cuban women -- militia members and combatants -- who today are celebrating the 25th anniversary of the creation of their veteran organization.

GRENADA

MITCHELL LEAVES FOR FRANCE, BRITAIN, U.S., CANADA

FL222148 Bridgetown CANA in English 2124 GMT 22 rug 85

[By George Worme]

[Text] St Georges, Grenada, Aug 22, CANA -- Grenada's communications and works minister, Dr Keith Mitchell, leaves here tomorrow for visits to France, Britain, Canada, and the United States.

Mitchell begins the four-country tour with a trip to France, at the invitation of the Paris government. He told CANA he would be holding discussions with the French Government on aid for road, water, communications, and energy projects. Mitchell said that during his private visits to London and Toronto he would address Grenadian residents.

In Washington, he will also have discussions on aid with State Department officials and meet investors interested in getting involved in our infrastructural support system financed mainly by funds provided by the United States Agency for International Development (USAID). Mitchell indicated that these discussions would focus on road and water projects and that he hoped to raise the question of investment in Grenadian private light industries.

On the forthcoming talks with French Government officials, Mitchell said: I hope to raise the question of transportation with them also but I have not indicated that yet. The visit will be the first by a Grenada Government minister to Paris since the centrist New National Party (NNP) was voted into office here last December. Mitchell said the issue of hydro-electricity would be raised with the Government of France because of studies conducted by French experts on the feasibility of introducing this source of power in the country. The French have found that there is a potential for this type of power in Grenada, and we are anxiously looking forward to that because that would mean a large reduction as far as our import bill on oil is concerned, Mitchell said.

Mitchell is due back home around September 7.

PROSECUTION, DEFENSE REACH PRE-TRIAL AGREEMENT

FL240200 Bridgetown CANA in English 0018 GMT 24 Aug 85

[By George Worme]

[Text] St George's, Grenada, Aug 23, CANA -- Grenada's Chief Justice Sir Archibald Nedd today expressed delight with the consensus order worked out between prosecution and defense lawyers on the thorny question of better access to detained defendants in the much-delayed Maurice Bishop murder trial. I think it was worth waiting for. I don't regret the time I've had to wait for this document, Nedd said after reading out to the court the 16 declarations of the order arrived at after several rounds of negotiations lasting four days.

Leader of the state-retained team of Jamaican lawyers for 17 of the 19 defendants, Howard Hamilton, said he was heartened with the chief justice's comments. I am particularly pleased that we have been able to save the court the time and arrive at this document. We are now happy that the machinery is in place to ensure access to counsel, Hamilton said. We pledge our undertaking in this court to assist in the administration of justice in this court, he added.

Although there are two areas to be adjudicated upon by the chief justice in the matter, Hamilton said that, with the agreement, the defense would be able to proceed speedily with the trial proceedings.

The order in effect means that defense lawyers will not proceed with a motion filed two weeks ago against Commissioner of Prisons Lionel Maloney, in which they requested a stay in the trial proceedings until adequate time and facilities were provided for the defendants to prepare their case.

The two other defendants -- former Deputy Prime Minister Bernard Coard and his wife Phyllis -- indicated this week that another Jamaican lawyer, Ian Ramsa, had accepted briefing fees to represent them in the trial due to start on September 2.

The 19 are accused of the murder of Bishop, former leftist prime minister of Grenada, and 10 associates in an October 19, 1983 military coup sparked by a bitter leadership feud within the then ruling New Jewel Movement (NJM).

The document read out by Nedd provides in the main for the accused to be allowed food from their families, exercise books to instruct their lawyers, improved medical attention, and the opportunity to meet among themselves to discuss the case. Another highlight of the agreement is a declaration for the 17 to be allowed reasonable and uninterrupted access to counsel of their choice for the purpose of giving and the taking of instructions, within sight but out of the hearing of prison warders or other security personnel.

The document also makes provisions for the defendants to receive a reasonable amount of reading material, including books, magazines, and newspapers, and for ex-Army officer Ewart Layne and former Mobilisation Minister Selwyn Strachan to have returned to them, respectively, confiscated copies of the Grenada Constitution and the prison rules. In addition, the defendants are entitled to be out of their cells for up to ten-and-a-half hours daily, and are to be allowed a minium of three hours daily on at least three days each week to discuss any matter relevant to the case. Defense lawyers had complained that the commissioner of prisons was allowing the accused only one hour per day out of their cells for exercise.

There is also a stipulation for former soldiers -- Andy Mitchell, Callistus Bernard, and Fabian Gabriel -- to receive forthwith medical attention and for copies of the reports of the doctors to be presented to their lawyers. In previous court sittings, the lawyers said Gabriel was suffering from problems with kidney stones, and Mitchell from a blood clot in the head as a result of a blow alledgedly received from a member of the Caribbean peace-keeping force. Earlier this week, defense lawyer Earl Witter told the court that Bernard was severely beaten by prison warders last Saturday in his presence and that of the commissioner of prisons.

After the document was read out to the court, Hamilton said the order represented a complete vindication of the complaints the defense team had made of inhumane and degrading treatment of the accused. However, Acting Director of Public Prosecutions Velma Hylton disagreed with Hamilton's assertion. She said the agreement was in accordance with the prison rules, and the prosecution consented for good reasons which we don't wish to go into in this court.

HAITI

POLITICAL FIGURES PLAN TO CREATE NEW PARTY

PA232137 Paris AFP in Spanish 1529 GMT 23 Aug 85

[Text] Port au Prince, 23 Aug (AFP) -- One hundred and eighteen Haitian political figures announced in a letter to President Jean-Claude Duvalier their intention to create a new political party, the government newspaper LE NOUVEAU MONDE reported today.

The new political party will be called the Progressive National Party (PNP) and "Jean-Claudism" will be its basic doctrine.

The signatories feel that "advocating the greatest well-being for all of the social sectors, as 'Duvalierism' does, and working for the improvement of the majorities in the country," "Jean-Claudism" has broadened to call for a national consensus for the triumph of the "economic revolution, increased democratization, and an opening to the world."

In response to the signatories, President Jean-Claude Duvalier stressed that for himself this effort constitutes "encouragement" in the struggle to establish "democracy under stable conditions," but that the country's new political system prevents him from being "the head of the party," as he must remain an "impartial mediator between all of the parties participating in the alternation game."

Among the founders of the PNP are four ministers of state who are members of the present national cabinet, the general supervisor of the people's militia (Tontons Macoutes), and President Duvalier's father-in-law. Several former Duvalier ministers are among the PNP founders.

The new Haitian political system, approved by referendum on 22 July -- 99.98 percent in favor, according to official figures -- establishes a lifetime presidency allowing the president to elect his successor, greater control of the legislative chamber, and the selection of a prime minister chosen from the legislative majority.

The internal opposition had advocated abstentionism during this referendum and denounces frauds in the holding of the referendum. Thus far, the opposition leaders have said they have no intention, for the time being, of participating in this political pluralism as described by the government because of the coercive nature of the new law of 9 June regarding the organization of political parties.

The next phase of the "controlled liberalism" process, initiated 3 years ago by President Jean-Claude Duvalier, will be to call for legislative elections, which have been moved up to February 1987.

JAMAICA

GOVERNMENT NEGOTIATING MINERAL SALES WITH USSR

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[Text] Kingston, Jamaica, Aug 22, CANA -- High level negotiations are taking place between local bauxite/alumina officials and European concerns, particularly the Soviet Union, on the sale of minerals worth U.S. 55 million dollars, the GLEANER newspaper reported today.

According to Jamaica Bauxite Institute (JBI) Executive Director Carlton Davis, the closure of the Alpart alumina plant earlier this month has put pressure on the institute to increase efforts to find alternative buying sources.

Citing the over supply in the market, Davis said that it is possible to squeeze sales out of some European markets in view of the closure of other plants in Europe and North America. It is expected that some 500,000 tons of alumina worth U.S. 55 million dollars will be sold by the end of next year. Jamaica already sells 825,000 tons of bauxite worth U.S. 100 million dollars per annum in a seven-year contract to Moscow. The Soviet Union reportedly consumes 3 million tons of aluminum and 12 million tons of bauxite per year.